

**DRAFT ANNUAL BUDGET OF  
EMAKHAZENI LOCAL  
MUNICIPALITY**

**2013/14 TO 2015/16  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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**Abbreviations and Acronyms**

CFO	Chief Financial Officer
MM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Strategy
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
OHS	Occupational Health and Safety
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan

## Part 1 – Annual Budget

### 1.1 Mayor's Report

To be included in the final approval of the annual budget 2013/2014 – 2014/2015

### 1.2 Council Resolution

#### EMAKHAZENI LOCAL MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE GENERAL COUNCIL MEETING HELD ON THE 28 MARCH 2013  
AT THE COUNCIL CHAMBERS, EMAKHAZENI AT 17:30

18/03/2013 EXECUTIVE SUMMARY DRAFT BUDGET: MEDIUM TERM REVENUE AND  
EXPENDITURE FRAMEWORK FOR 2013/14, 2014/2015 AND 2015/2016  
FINANCIAL YEARS

#### Resolved that;

1. The draft Medium Term Revenue and Expenditure Framework for 2013/14 – 2015/16 is approved with all budget tables; A1 to A10.
2. The draft Medium Term Revenue and Expenditure Framework for 2013/14 – 2015/16 and all supporting documents and / tables SA1 to SA37 is approved.
3. The proposed new requests for personnel amounting to R 3,541,746 is approved.
4. The proposed capital projects are approved.
5. The proposed tariff increase is approved as follows:

Assessment Rates:	11%
Electricity:	8%
Sewerage:	11 %
Water (Consumption):	11 %
Water (Basic Charge):	11 %
Cleansing:	11%
Other income:	11%

6. The proposed 6.85% salary increase is approved.
7. The budget deficit with regards to non-cash items is approved.
8. The Accounting Officer should submit the approved tabled draft budget and all budget documentation to the National and Provincial Treasuries and other relevant departments.
9. The tariff policy be attached for Councilors during the consultative process.

CERTIFIED CORRECT...

SPEAKER



### 1.3 Executive Summary

#### **DRAFT BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2013/14 , 2014/2015 AND 2015/2016 FINANCIAL YEARS**

#### **REPORT OF THE ACTING CHIEF FINANCIAL OFFICER**

##### **BACKGROUND**

Section 16 of the Municipal Finance Management Act (MFMA) requires that the municipality must for each financial year approve an annual budget before the start of the financial year.

The format and contents of the budget are prescribed by sections 16 to 27 of the MFMA as well the new budget and reporting regulation issued by National Treasury.

The MFMA refers to funding of expenditure and states:

**a.** An annual budget may only be funded from:

- realistically anticipated revenues to be collected
- cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds; but only for the capital budget referred to in section 17(2).

**b.** Revenue projections in the budget must be realistic, taking into account:

- projected revenue for the current year based on collection levels to date; and
- Actual revenue collected in previous financial years."

**c.** Circular 66 and 67 issued by National Treasury provide further guidance for the preparation of 2013/2014 MTREF.

These circulars further guide on the issues in the *Local Government Budgets and Expenditure Review 2011* whereby municipalities need to pay attention to.

The *Review* highlights the following areas as requiring particular attention by municipalities:

- *Revenue management* – To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed. Municipalities are urged to take note of MFMA Circular No. 64 - Revenue Management, in the preparation of the 2013/14 budgets and MTREF's. The Circular can be accessed at:
- *Collecting outstanding debts* – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable.
- *Pricing services correctly* – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- *Underspending on repairs and maintenance* – Often seen as a way to reduce spending in the short term, underspending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services.
- *Spending on non-priorities* – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects.

Consultants are often used to perform routine tasks. Considering the pressurised economic climate continued spending on non-priority wants cannot be sustained.

### **National priority – Expanding public sector investment in infrastructure**

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority. all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme. In this regard the Expanded Public Works Programme Grant (EPWP) has been reconfigured in the 2012/13 financial year to be a schedule 6 grant.

Municipalities should not just employ more people without any reference to the level of staffing required to deliver effective services, remuneration increases associated with bargaining council decisions and what is financially sustainable over the medium term. The municipality ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Expanded Public Works Programme; and
- Implementing interns programmes to provide young people with on-the-job training.

Municipalities also play a critical role in creating an enabling environment for investments and other activities that lead to job creation. It is important for municipalities to pay particular attention to:

- Ensuring the timely delivery of their capital programmes (eliminate under-spending of capital budgets) and to review all by-laws and development approval processes with a view to removing any regulatory bottlenecks to investment and job creation; and
- Act as a catalyst for local economic development by appropriately structuring capital programmes to address backlog eradication, asset renewal and development of new infrastructure; this will require carefully formulating the funding mix of the capital programme to include grants, borrowing and own funding (internally generated fundin

#### **A. Revising rates, tariffs and other charges**

National Treasury guides that When municipalities revise their rates, tariffs and other charges for their 2013/14 budgets and MTREF, they need to take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality or entity, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

Treasury has also noted that municipalities are increasingly under recovering the cost associated with trading services i.e. electricity, water, waste management and waste water management and this position is further exacerbated by the fact that no consideration is given to overhead costing and the influence on the total cost of providing the service. This in turn impacts on tariff setting and in many instances municipalities are cross subsidising a trading service from property rates revenue; a totally defective approach to pricing and tariff setting of municipal trading services.

Hence the municipality is in a process of restructuring the tariffs to ensure that they are cost reflective and this will be finalised and included in the final budget after it is communicated to the community through public participation. It must also be noted that tariffs may only be implemented from the start of the financial year.

## B. Funding choices and management issues

The municipality is once again reminded that given on-going economic pressures, the revenue side of municipal budgets will continue to be constrained, so it will again need to make some very tough decisions on the expenditure side this year. Priority still needs to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance;
- Expediting spending on capital projects that are funded by conditional grants; and
- Ensuring that borrowed funds are invested in revenue generating assets as part of the capital programme

## C. Headline inflation forecasts.

Fiscal year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual		Estimate	Forecast	Forecast	Forecast
Real GDP growth	3.4	3.1	2.5	3.0	3.6	3.8
CPI Inflation	3.8 %	5.6%	5.6%	5.6%	5.4%	5.4%

Source: Budget Review 2013

## D. Employee related costs

The multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015 has been taken into consideration. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year.

In this regard National Treasury has advised that average CPI for this period is 5.6 per cent.

Therefore the provision for increases related to salaries and wages for the 2013/14 budget year has been budgeted at 6.85 per cent (5.6 per cent plus 1.25 per cent). The agreement also provides for a 1 per cent increase for the 2014/15 financial year. In this regard, municipalities may provide for a 6.4 per cent (5.4 per cent plus 1 per cent) increase for the 2014/15 budget year.

The municipality has also make provision for the new personnel amounting to R 3,541,746 as means to respond to other service delivery priority issues.

## E. Proposed Tariff increases 2013/14

Assessment Rates:	11%
Electricity:	8%
Sewerage:	11 %
Water (Consumption):	11 %
Water (Basic Charge):	11 %

Cleansing: 11%

Other income: 11 %

The average increase of tariffs will thus be 10.6%. The 11% increase on consumption of water is due to its scarcity of water and the high increase of costs for maintaining water and waste water purification plants. The municipality also strives at encouraging the community to preserve water as it is a scarce natural resource.

The Eskom price increase of bulk electricity supplied to municipalities will increase by 8 per cent on 1 July 2013. NERSA approved an annual 8 per cent increase in the bulk price of electricity in terms of the third multi-year price determination application applicable for the period 2013/14 to 2017/18.

NERSA is in the process of determining a guideline increase for municipal electricity tariffs. They have indicated that they will only be in a position to finalise this guideline by the end of March 2013. Bulk electricity as a cost driver can contribute as much as 75 per cent of municipalities' electricity function, and considering that the average wage increase (a significant cost component of the municipal electricity function) for the 2013/14 Financial Year is 6.85 per cent (5.6 per cent plus 1.25 per cent) municipalities are advised to limit electricity increases to between 7.5 and 8.0 per cent.

When determining the tariff increase the municipality did not align the increase with the current CPI however it has taken into consideration its unique circumstances as follows:

- The cost of rendering services, repairs and maintenance of dilapidating infrastructure and renewal backlogs that exist in relation to municipal, infrastructure particularly, municipalities' electricity, water reticulation, sewage and storm water and roads systems. All these repairs & maintenance infrastructure needs regular and timeous response by the municipality.
- The municipality also took into account the labour and other input costs of services provided by the municipality.
- The need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy

It is noted that these backlogs are impacting negatively on the financial sustainability of the municipality and on the reliability and quality of municipal services, as well as municipalities' contribution to supporting economic growth. Therefore the tariffs will increase with effect from 01 July 2013 as indicated above once approved by the council.

## **F. Debt Impairment**

A provision for debt impairment is made for 2013/14 to the amount of R 8,925,000.00. This forms one of the non-cash items and was informed by outstanding debtors amounting R 96 421 421.00 and the audited performance for 2011/2012.

## **G. Capital Budget Summary**

A summary of the proposed capital budget is set as follows:

Source of Funding	Budget Current	Budget 2013/2014	Budget 2014/2015	Budget 2015/2016
MIG	R 15,929,000.00	R 16,803,000.00	15,966,000.00	16,844,000.00
Nkangala	R 10,930,000.00	R 22,700,000.00	R 23,835,000.00	R 25,026,750.00
Internally funded	R 2,432,690.00	R 1,067,383.00	R 1,120,752.15	R 1,176,789.76



<b>TOTAL</b>	<b>R 29,291,690.00</b>	<b>R 40,570,383.00</b>	<b>R 40,921,752.15</b>	<b>R 43,047,539.76</b>
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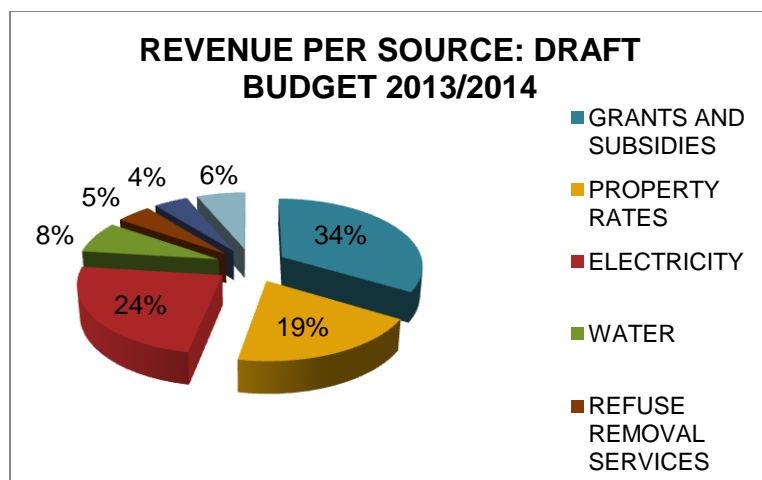
A detailed project list is attached with the budget documentation. It must be noted that only capital projects which funding has been secured may be included in the capital budget

## H. Budget Summary

### i) Total budgeted revenue

Description	Audited Financial Statement 2011/2012	Original Budget 2012/2013	Adjustment Budget 2012/2013	Budget 2013/2014	% of Budget 2013/14	Forecast 2014/2015	Forecast 2015/2016
<b>GRANTS AND SUBSIDIES</b>	<b>42,865,214</b>	<b>54,877,000</b>	<b>55,257,000</b>	<b>58,297,000</b>	<b>34%</b>	<b>62,232,000</b>	<b>69,448,000</b>
<b>PROPERTY RATES</b>	<b>20,438,543</b>	<b>25,994,372</b>	<b>30,494,372</b>	<b>33,848,753</b>	<b>19%</b>	<b>35,541,191</b>	<b>37,318,250</b>
<b>ELECTRICITY</b>	<b>30,553,363</b>	<b>37,989,459</b>	<b>38,589,459</b>	<b>41,676,616</b>	<b>24%</b>	<b>43,760,447</b>	<b>45,948,469</b>
PREPAID ELECTRICITY	14,105,845	18,156,203	18,156,203	19,608,699	11%	20,589,134	21,618,591
SALE OF ELECTRICITY	11,877,740	15,000,000	15,600,000	16,848,000	10%	17,690,400	18,574,920
BASIC ELECTRICITY	4,569,779	4,833,256	4,833,256	5,219,916	3%	5,480,912	5,754,958
<b>WATER</b>	<b>11,199,710</b>	<b>11,076,799</b>	<b>11,876,799</b>	<b>13,183,247</b>	<b>8%</b>	<b>13,842,409</b>	<b>14,534,530</b>
SALE OF WATER	6,407,283	5,077,013	5,877,013	6,523,484	4%	6,849,659	7,192,142
BASIC WATER	4,792,426	5,999,786	5,999,786	6,659,762	4%	6,992,751	7,342,388
REFUSE REMOVAL SERVICES	6,783,362	6,013,211	7,213,211	8,006,664	5%	8,406,997	8,827,347
SEWERAGE SERVICES	6,494,537	7,031,435	7,031,435	7,804,893	4%	8,195,137	8,604,894
<b>OPERATING REVENUE</b>	<b>13,518,550</b>	<b>20,127,988</b>	<b>13,551,629</b>	<b>11,055,986</b>	<b>6%</b>	<b>11,608,785</b>	<b>12,189,224</b>
RENT OF FACILITIES AND	769,740	660,917	600,917	608,943	0%	639,390	671,360
INTREST EARNED EXTERNAL	104,459	35,868	362,868	381,011	0%	400,062	420,065
FINES	444,826	601,850	601,850	602,054	0%	632,156	663,764
LICENCE AND PERMITS	352,165	300,080	350,080	404,560	0%	424,788	446,028
INCOME FOR AGENCY SERVICES	1,084,080	1,130,200	1,140,200	1,109,000	1%	1,164,450	1,222,673
OTHER REVENUE	10,763,280	17,399,073	10,495,714	7,950,417	5%	8,347,938	8,765,335
<b>TOTAL OPERATING REVENUE GENERATED</b>	<b>131,853,279</b>	<b>163,110,264</b>	<b>164,013,905</b>	<b>173,873,158</b>	<b>100%</b>	<b>183,586,966</b>	<b>196,870,714</b>
LESS REVENUE FOREGONE	2,149,353	5,389,303	2,600,000	2,442,000		2,564,100	2,692,305
<b>TOTAL DIRECT OPERATING REVENUE</b>	<b>129,703,927</b>	<b>157,720,961</b>	<b>161,413,905</b>	<b>171,431,158</b>		<b>181,022,866</b>	<b>194,178,409</b>

The following graph represents the percentage of the proposed budget per revenue source



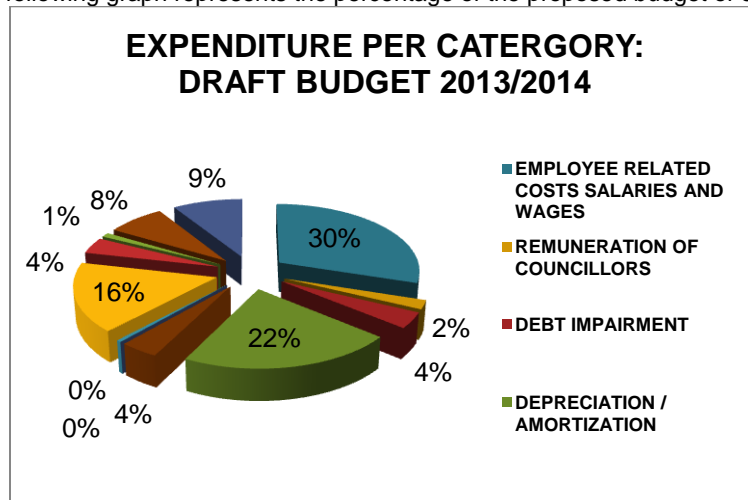
ii) **Grants and Subsidies**

GRANT NAME	Original Budget 2012/2013	Adjustment Budget 2012/2013	Budget 2013/2014	Forecast 2014/2015	Forecast 2015/2016
EQUITABLE SHARE	R 35,648,000	R 35,648,000	R 38,535,000	R 42,256,000	R 48,318,000
MUNICIPAL INFRASTRUCTURE GRANT	R 15,929,000	R 16,309,000	R 16,322,000	R 17,242,000	R 18,213,000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	R 800,000	R 800,000	R 890,000	R 934,000	R 967,000
FINANCIAL MANEGEMENT GRANT	R 1,500,000	R 1,500,000	R 1,550,000	R 1,800,000	R 1,950,000
PUBLIC WORKS PROGRAMME INCENTIVE GRANT	R 1,000,000	R 1,000,000	R 1,000,000	R 0	R 0
<b>TOTAL</b>	<b>R 54,877,000</b>	<b>R 55,257,000</b>	<b>R 58,297,000</b>	<b>R 62,232,000</b>	<b>R 69,448,000</b>

iii) **Total Budgeted Expenditure**

Description	Audited Financial Statement 2011/2012	Original Budget 2012/2013	Adjustemnt Budget 2012/2013	Budget 2013/2014	% of Budget 2013/14	Forecast 2014/2015	Forecast 2015/2016
EMPLOYEE RELATED COSTS	50,101,336	62,067,616	61,958,566	68,906,595	30%	75,969,521	0
REMUNERATION OF	4,256,473	4,321,681	4,480,033	4,903,696	2%	5,148,881	5,406,325
DEBT IMPAIRMENT	8,110,426	2,355,402	8,500,000	8,670,000	4%	9,103,500	9,558,675
DEPRECIATION / AMORTIZATION	48,036,809	2,915,119	49,000,000	49,980,000	22%	52,479,000	55,102,950
REPAIR AND MAINTENANCE	10,664,849	8,950,689	8,574,257	9,083,800	4%	9,537,990	10,014,889
INTEREST EXPENSE EXTERNAL BORROWINGS	41,843	619,244	0	0	0%	0	0
CAPITAL PROJECTS	0	1,652,921	2,432,690	1,067,383	0%	1,120,752	1,176,790
BULK PURCHASES	29,844,270	35,161,937	35,161,937	37,974,892	17%	39,873,637	41,867,318
CONTRACTED SERVICES	8,769,752	8,383,228	9,083,228	8,948,168	4%	9,395,576	9,865,355
GRANTS AND SUBSIDIES (CAPITAL)	2,040,000	2,300,000	2,300,000	2,440,000	1%	2,734,000	2,917,000
GRANTS AND SUBSIDIES (OPERATING)	1,322,657	16,929,000	17,309,000	17,322,000	8%	17,242,000	18,213,000
GENERAL EXPENSES OTHER	18,551,591	22,723,947	20,114,194	20,784,624	9%	21,823,855	22,915,048
LOSS ON SALE OF ASSETS	0	0	0	0	0%	0	0
<b>TOTAL OPERATING EXPENDITURE</b>	<b>181,740,006</b>	<b>168,380,784</b>	<b>218,913,905</b>	<b>230,081,158</b>	<b>100%</b>	<b>244,428,712</b>	<b>177,037,351</b>
OPERATING SURPLUS/(DEFICIT)	-52,036,079	-10,659,822	-57,500,000	-58,650,000		-59,788,250	-58,828,463

The following graph represents the percentage of the proposed budget of expenditure per category



**Conclusion**

The MTREF for 2013/2014 – 2015/2016 has a deficit amounting to R 58,650,000 which constitutes of provision depreciation and debt impairment.

**RECOMMENDATIONS BY THE ACTING CHIEF FINANCIAL OFFICER**

1. That the draft Medium Term Revenue and Expenditure Framework for 2013/14 – 2015/16 be considered approved with all budget tables; A1 to A10.
2. That the Council approves the draft Medium Term Revenue and Expenditure Framework for 2013/14 – 2015/16 and all supporting documents and / tables SA1 to SA37.
3. That the proposed new requests for personnel amounting to R 3,541,746 be considered and approved.
4. That the proposed capital projects be approved.
5. That the proposed tariff increase be considered and approved as follows:

Assessment Rates:	11%
Electricity:	8%
Sewerage:	11 %
Water (Consumption):	11 %
Water (Basic Charge):	11 %
Cleansing:	11%
Other income:	11%
6. That the 6.85% salary increase be approved.
7. That the budget deficit with regards to non-cash items be approved.
8. That the Accounting Officer submits the approved tabled draft budget and all budget documentation to the National and provincial Treasuries and other relevant departments.

**1.4 OPERATING REVENUE FRAMEWORK**

MP314 Emakhazeni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)									
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>									
Property rates	2	11,006	16,162	19,682	23,520	29,394	32,937	34,584	36,313
Property rates - penalties & collection charges									
Service charges - electricity revenue	2	21,592	28,446	30,553	35,406	38,589	41,677	43,760	45,948
Service charges - water revenue	2	6,451	8,363	9,806	10,745	10,377	11,653	12,236	12,848
Service charges - sanitation revenue	2	4,257	5,322	6,783	6,013	7,213	7,805	8,195	8,605
Service charges - refuse revenue	2	4,828	5,585	6,495	7,031	7,031	8,007	8,407	8,827
Service charges - other									
Rental of facilities and equipment		620	471	770	661	601	609	639	671
Interest earned - external investments		133	23	104	36	363	381	400	420
Interest earned - outstanding debtors		-	-	-	-	-			
Dividends received		-	-	-	-	-			
Fines		344	394	445	602	602	602	632	664
Licences and permits		205	287	352	300	350	405	425	446
Agency services		557	1,067	1,084	1,130	1,140	1,109	1,164	1,223
Transfers recognised - operational		24,137	29,844	34,350	38,948	39,328	41,975	44,990	51,235
Other revenue	2	4,946	9,062	10,763	17,399	10,496	7,950	8,348	8,765
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>79,073</b>	<b>105,027</b>	<b>121,189</b>	<b>141,792</b>	<b>145,485</b>	<b>155,109</b>	<b>163,781</b>	<b>175,965</b>

MP314 Emakhazeni - Supporting Table SA18 Transfers and grant receipts									
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2								
<u>Operating Transfers and Grants</u>									
National Government:		23,887	29,859	34,335	38,948	38,948	41,975	44,990	51,235
Local Government Equitable Share		22,224	28,324	31,562	35,648	35,648	38,535	42,256	48,318
Finance Management		935	1,000	1,250	1,500	1,500	1,550	1,800	1,950
Municipal Systems Improvement		727	535	790	800	800	890	934	967
Integrated National Electrification Programm				342	-	-			
EPWP Incentive				391	1,000	1,000	1,000		
Provincial Government:		-	-	-	-	-	-	-	-
District Municipality:		250	-	-	-	-	-	-	-
DSCR		250							
Other grant providers:		-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Total Operating Transfers and Grants	5	24,137	29,859	34,335	38,948	38,948	41,975	44,990	51,235
<u>Capital Transfers and Grants</u>									
National Government:		5,894	7,762	8,516	15,929	16,309	16,322	17,242	18,213
Municipal Infrastructure Grant (MIG)		5,894	7,762	8,516	15,929	15,929	16,322	17,242	18,213
MIG ROLLOVER						380			
Provincial Government:		-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	5,894	7,762	8,516	15,929	16,309	16,322	17,242	18,213
TOTAL RECEIPTS OF TRANSFERS & GRANTS		30,031	37,621	42,851	54,877	55,257	58,297	62,232	69,448

**1.5 OPERATING EXPENDITURE FRAMEWORK**

MP314 Emakhazeni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)									
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure By Type</b>									
Employee related costs	2	33,742	53,267	50,101	62,068	61,959	68,907	72,352	75,970
Remuneration of councillors		3,452	3,447	4,256	4,322	4,480	4,904	5,149	5,406
Debt impairment	3		59,887	8,110	2,355	8,500	8,670	9,104	9,559
Depreciation & asset impairment	2	2,530	46,412	48,037	2,915	49,000	49,980	52,479	55,103
Finance charges		533	140	42	619				
Bulk purchases	2	17,975	23,116	29,844	35,162	35,162	37,975	39,874	41,867
Other materials	8	4,142	6,567	10,665	8,951	8,574	9,084	9,538	10,015
Contracted services		3,029	3,679	6,549	5,516	5,596	5,643	5,925	6,221
Transfers and grants		1,877	2,040	3,363	19,229	19,609	19,762	19,976	21,130
Other expenditure	4, 5	21,456	20,840	20,772	27,244	26,034	25,157	26,415	27,736
Loss on disposal of PPE		565							
<b>Total Expenditure</b>		<b>89,301</b>	<b>219,397</b>	<b>181,740</b>	<b>168,381</b>	<b>218,914</b>	<b>230,081</b>	<b>240,811</b>	<b>253,007</b>
<b>Surplus/(Deficit)</b>		<b>(10,227)</b>	<b>(114,370)</b>	<b>(60,551)</b>	<b>(26,589)</b>	<b>(73,429)</b>	<b>(74,972)</b>	<b>(77,030)</b>	<b>(77,041)</b>
Transfers recognised - capital		5,894	7,762	8,515	15,929	15,929	16,322	17,242	18,213
Contributions recognised - capital	6	-	-	-	-	-	-	-	-
Contributed assets									

**1.6 CAPITAL EXPENDITURE**

MP314 Emakhazeni - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding									
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>		463	52	8,537	16,619	16,044	16,593	17,526	18,512
Executive and council		403	52	8,537	16,229	16,004	16,532	17,463	18,445
Budget and treasury office		60	0	-	390	40	41	43	45
Corporate services		-	-	-	-	-	20	21	22
<b>Community and public safety</b>		265	1	3,959	140	160	96	101	106
Community and social services		216	-	-	-	40	-	-	-
Sport and recreation		49	1	-	-	-	-	-	-
Public safety		-	-	3,959	90	70	71	75	79
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	50	50	25	26	28
<b>Economic and environmental services</b>		-	-	-	-	-	25	26	28
Planning and development		-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	25	26	28
Environmental protection		-	-	-	-	-	-	-	-
<b>Trading services</b>		422	316	71	804	495	596	626	657
Electricity		68	25	-	260	260	265	279	293
Water		41	291	71	200	200	204	214	225
Waste water management		312	-	0	20	20	112	117	123
Waste management		-	-	-	324	15	15	16	17
<b>Other</b>		-	-	-	19	19	79	83	88
<b>Total Capital Expenditure - Standard</b>	3	1,150	369	12,567	17,582	16,718	17,389	18,363	19,390
<b>Funded by:</b>									
National Government		5,894	7,762	8,515	15,929	15,929	16,322	17,242	18,213
Provincial Government		-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	5,894	7,762	8,515	15,929	15,929	16,322	17,242	18,213
<b>Public contributions &amp; donations</b>	5	-	-	3,959	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	93	1,652	789	1,067	1,121	1,177
<b>Total Capital Funding</b>	7	5,894	7,762	12,567	17,581	16,718	17,389	18,363	19,390



**1.7 ANNUAL BUDGET TABLES****Explanatory notes to Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget.

MP314 Emakhazeni - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	11 006	16 162	19 682	23 520	29 394	-	-	32 937	34 584	36 313
Service charges	37 127	47 717	53 638	59 196	63 211	-	-	69 141	72 598	76 228
Investment revenue	133	23	104	36	363	-	-	381	400	420
Transfers recognised - operational	24 137	29 844	34 350	38 948	39 328	-	-	41 975	44 990	51 235
Other own revenue	6 671	11 281	13 414	20 092	13 189	-	-	10 675	11 209	11 769
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>79 073</b>	<b>105 027</b>	<b>121 189</b>	<b>141 792</b>	<b>145 485</b>	<b>-</b>	<b>-</b>	<b>155 109</b>	<b>163 781</b>	<b>175 965</b>
Employee costs	33 742	53 267	50 101	62 068	61 959	-	-	68 907	72 352	75 970
Remuneration of councillors	3 452	3 447	4 256	4 322	4 480	-	-	4 904	5 149	5 406
Depreciation & asset impairment	2 530	46 412	48 037	2 915	49 000	-	-	49 980	52 479	55 103
Finance charges	533	140	42	619	-	-	-	-	-	-
Materials and bulk purchases	22 117	29 683	40 509	44 113	43 736	-	-	47 059	49 412	51 882
Transfers and grants	1 877	2 040	3 363	19 229	19 609	-	-	19 762	19 976	21 130
Other expenditure	25 050	84 406	35 432	35 115	40 130	-	-	39 470	41 444	43 516
<b>Total Expenditure</b>	<b>89 301</b>	<b>219 397</b>	<b>181 740</b>	<b>168 381</b>	<b>218 914</b>	<b>-</b>	<b>-</b>	<b>230 081</b>	<b>240 811</b>	<b>253 007</b>
<b>Surplus/(Deficit)</b>	<b>(10 227)</b>	<b>(114 370)</b>	<b>(60 551)</b>	<b>(26 589)</b>	<b>(73 429)</b>	<b>-</b>	<b>-</b>	<b>(74 972)</b>	<b>(77 030)</b>	<b>(77 041)</b>
Transfers recognised - capital	5 894	7 762	8 515	15 929	15 929	-	-	16 322	17 242	18 213
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(4 333)</b>	<b>(106 608)</b>	<b>(52 036)</b>	<b>(10 660)</b>	<b>(57 500)</b>	<b>-</b>	<b>-</b>	<b>(58 650)</b>	<b>(59 788)</b>	<b>(58 828)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(4 333)</b>	<b>(106 608)</b>	<b>(52 036)</b>	<b>(10 660)</b>	<b>(57 500)</b>	<b>-</b>	<b>-</b>	<b>(58 650)</b>	<b>(59 788)</b>	<b>(58 828)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>7 044</b>	<b>8 149</b>	<b>12 567</b>	<b>17 582</b>	<b>16 718</b>	<b>-</b>	<b>-</b>	<b>17 389</b>	<b>18 363</b>	<b>19 390</b>
Transfers recognised - capital	5 894	7 762	8 515	15 929	15 929	-	-	16 322	17 242	18 213
Public contributions & donations	-	-	3 959	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 150	388	93	1 652	789	-	-	1 067	1 121	1 177
<b>Total sources of capital funds</b>	<b>7 044</b>	<b>8 149</b>	<b>12 567</b>	<b>17 581</b>	<b>16 718</b>	<b>-</b>	<b>-</b>	<b>17 389</b>	<b>18 363</b>	<b>19 390</b>
<b>Financial position</b>										
Total current assets	66 136	20 398	24 420	30 523	30 523	-	-	88 982	90 832	95 374
Total non current assets	25 936	583 759	557 779	62 750	62 750	-	-	429 409	452 828	474 819
Total current liabilities	38 831	65 659	92 985	35 557	35 557	-	-	31 929	32 875	33 869
Total non current liabilities	3 011	-	2 743	-	-	-	-	-	-	-
Community wealth/Equity	50 230	538 498	486 462	57 715	57 715	-	-	486 462	510 785	536 324
<b>Cash flows</b>										
Net cash from (used) operating	(4 333)	(106 608)	(52 036)	(10 660)	(57 500)	-	-	(58 650)	(59 788)	(58 828)
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(4 333)</b>	<b>(110 941)</b>	<b>(162 978)</b>	<b>(10 660)</b>	<b>(57 500)</b>	<b>-</b>	<b>-</b>	<b>(58 650)</b>	<b>(118 438)</b>	<b>(177 267)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(11 332)	(1 152)	3 025	96	96	-	-	2 875	3 020	3 171
Application of cash and investments	(47 251)	36 181	56 429	(12 662)	(12 662)	-	-	(72 860)	(74 554)	(78 931)
<b>Balance - surplus (shortfall)</b>	<b>35 920</b>	<b>(37 334)</b>	<b>(53 403)</b>	<b>12 758</b>	<b>12 758</b>	<b>-</b>	<b>-</b>	<b>75 735</b>	<b>77 574</b>	<b>82 102</b>
<b>Asset management</b>										
Asset register summary (WDV)	25 936	28 036	27 804	-	-	-	28 029	28 029	1 105	1 160
Depreciation & asset impairment	2 530	46 412	48 037	2 915	49 000	-	49 980	49 980	52 479	55 103
Renewal of Existing Assets	6 238	6 639	9 217	9 539	9 539	-	-	8 956	9 404	9 873
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	0	0	0	0	0	0	0	0	0	0
Revenue cost of free services provided	4 548	10 606	8 555	7 613	8 662	-	8 692	8 692	8 769	8 849
<b>Households below minimum service level</b>										
Water:	1	1	1	1	1	-	1	1	1	1
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	1	3	3	3	3	-	3	3	3	3

### Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

MP314 Emakhazeni - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)									
Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	41,723	56,501	61,450	85,453	86,281	–	90,005	95,526	104,406
Executive and council	40,957	53,858	60,574	74,596	82,266	–	88,810	94,271	103,089
Budget and treasury office	766	2,643	876	10,857	4,015	–	1,195	1,255	1,318
Corporate services	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>	396	1,572	4,138	250	403	–	538	565	594
Community and social services	317	59	72	55	58	–	64	67	71
Sport and recreation	79	170	87	185	185	–	174	183	192
Public safety	–	1,343	3,979	10	160	–	300	315	331
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	5,483	6,252	8,084	9,172	9,282	–	9,416	9,887	10,381
Planning and development	161	345	511	1,288	1,288	–	1,531	1,607	1,688
Road transport	5,322	5,907	7,573	7,884	7,994	–	7,885	8,280	8,694
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	37,366	48,463	56,032	62,847	65,449	–	71,471	75,045	78,797
Electricity	21,808	29,174	31,520	38,633	39,233	–	42,372	44,491	46,715
Water	6,460	8,363	11,216	11,115	11,917	–	13,228	13,890	14,584
Waste water management	4,841	5,604	6,513	7,060	7,060	–	7,837	8,228	8,640
Waste management	4,257	5,322	6,784	6,038	7,238	–	8,035	8,436	8,858
<b>Other</b>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	<b>84,968</b>	<b>112,788</b>	<b>129,704</b>	<b>157,721</b>	<b>161,414</b>	<b>–</b>	<b>171,431</b>	<b>181,023</b>	<b>194,178</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	31,411	148,581	100,311	67,515	122,019	–	123,525	128,927	135,528
Executive and council	10,729	124,320	74,574	34,952	44,351	–	42,064	43,393	45,718
Budget and treasury office	14,924	16,564	17,523	24,237	69,774	–	71,370	74,939	78,686
Corporate services	5,757	7,697	8,214	8,326	7,894	–	10,090	10,595	11,125
<b>Community and public safety</b>	9,019	10,762	10,244	12,498	12,211	–	9,531	10,007	10,508
Community and social services	4,165	4,903	4,396	5,441	5,367	–	2,188	2,298	2,413
Sport and recreation	2,761	3,037	3,286	4,075	3,741	–	3,928	4,125	4,331
Public safety	895	1,252	1,052	1,557	1,629	–	2,156	2,264	2,377
Housing	–	–	–	–	–	–	–	–	–
Health	1,198	1,570	1,510	1,425	1,475	–	1,258	1,320	1,386
<b>Economic and environmental services</b>	12,490	16,082	17,034	21,017	20,466	–	27,604	28,984	30,434
Planning and development	7,249	8,886	8,181	10,913	10,286	–	12,289	12,904	13,549
Road transport	5,242	7,197	8,853	10,104	10,180	–	15,315	16,081	16,885
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	36,380	43,408	53,635	66,630	63,587	–	68,131	71,537	75,114
Electricity	22,968	28,288	34,426	45,455	42,431	–	44,970	47,219	49,580
Water	3,486	4,634	6,897	6,402	7,661	–	8,190	8,600	9,030
Waste water management	4,399	3,958	4,710	5,955	5,598	–	6,027	6,328	6,645
Waste management	5,528	6,528	7,603	8,818	7,896	–	8,943	9,391	9,860
<b>Other</b>	–	564	516	721	631	–	1,291	1,356	1,423
<b>Total Expenditure - Standard</b>	<b>89,301</b>	<b>219,397</b>	<b>181,740</b>	<b>168,381</b>	<b>218,914</b>	<b>–</b>	<b>230,081</b>	<b>240,811</b>	<b>253,007</b>
<b>Surplus/(Deficit) for the year</b>	<b>(4,333)</b>	<b>(106,608)</b>	<b>(52,036)</b>	<b>(10,660)</b>	<b>(57,500)</b>	<b>–</b>	<b>(58,650)</b>	<b>(59,788)</b>	<b>(58,828)</b>

**Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

MP314 Emakhazeni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		40,957	53,858	60,574	74,596	82,266	–	88,810	94,271	103,089
Vote 2 - FINANCE & ADMIN		766	2,643	876	10,857	4,015	–	1,195	1,255	1,318
Vote 3 - PLANNING & DEVELOPMENT		161	345	511	1,288	1,288	–	1,531	1,607	1,688
Vote 4 - HEALTH		–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY & SOCIAL SERVICES		317	59	72	55	58	–	64	67	71
Vote 6 - PUBLIC SAFETY		–	1,343	3,979	10	160	–	300	315	331
Vote 7 - SPORT & RECREATION		79	170	87	185	185	–	174	183	192
Vote 8 - WASTE MANAGEMENT		4,257	5,322	6,784	6,038	7,238	–	8,035	8,436	8,858
Vote 9 - WASTE WATER MANAGEMENT		4,841	5,604	6,513	7,060	7,060	–	7,837	8,228	8,640
Vote 10 - ROAD TRANSPORT		5,322	5,907	7,573	7,884	7,994	–	7,885	8,280	8,694
Vote 11 - WATER		6,460	8,363	11,216	11,115	11,917	–	13,228	13,890	14,584
Vote 12 - ELECTRICITY		21,808	29,174	31,520	38,633	39,233	–	42,372	44,491	46,715
<b>Total Revenue by Vote</b>	2	<b>84,968</b>	<b>112,788</b>	<b>129,704</b>	<b>157,721</b>	<b>161,414</b>	<b>–</b>	<b>171,431</b>	<b>181,023</b>	<b>194,178</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		10,729	124,320	74,574	34,952	44,351	–	42,064	43,393	45,718
Vote 2 - FINANCE & ADMIN		20,681	24,260	25,736	32,563	77,668	–	81,461	85,534	89,810
Vote 3 - PLANNING & DEVELOPMENT		7,249	8,886	8,181	10,913	10,286	–	12,289	12,904	13,549
Vote 4 - HEALTH		1,198	1,570	1,510	1,425	1,475	–	1,258	1,320	1,386
Vote 5 - COMMUNITY & SOCIAL SERVICES		4,165	4,903	4,396	5,441	5,367	–	2,188	2,298	2,413
Vote 6 - PUBLIC SAFETY		895	1,252	1,052	1,557	1,629	–	2,156	2,264	2,377
Vote 7 - SPORT & RECREATION		2,761	3,037	3,286	4,075	3,741	–	3,928	4,125	4,331
Vote 8 - WASTE MANAGEMENT		5,528	6,528	7,603	8,818	7,896	–	8,943	9,391	9,860
Vote 9 - WASTE WATER MANAGEMENT		4,399	3,958	4,710	5,955	5,598	–	6,027	6,328	6,645
Vote 10 - ROAD TRANSPORT		5,242	7,197	8,853	10,104	10,180	–	15,315	16,081	16,885
Vote 11 - WATER		3,486	4,634	6,897	6,402	7,661	–	8,190	8,600	9,030
Vote 12 - ELECTRICITY		22,968	28,288	34,426	45,455	42,431	–	44,970	47,219	49,580
Vote 13 - OTHER		–	564	516	721	631	–	1,291	1,356	1,423
<b>Total Expenditure by Vote</b>	2	<b>89,301</b>	<b>219,397</b>	<b>181,740</b>	<b>168,381</b>	<b>218,914</b>	<b>–</b>	<b>230,081</b>	<b>240,811</b>	<b>253,007</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(4,333)</b>	<b>(106,608)</b>	<b>(52,036)</b>	<b>(10,660)</b>	<b>(57,500)</b>	<b>–</b>	<b>(58,650)</b>	<b>(59,788)</b>	<b>(58,828)</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Table A4 reflects the level in which the revenue base of the municipality. Our reliance is mainly on property rates and service charges as they constitute 53% of the total budget.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operations gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

MP314 Emakhazeni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)										
Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>										
Property rates	11,006	16,162	19,682	23,520	29,394	-	-	32,937	34,584	36,313
Property rates - penalties & collection charges										
Service charges - electricity revenue	21,592	28,446	30,553	35,406	38,589	-	-	41,677	43,760	45,948
Service charges - water revenue	6,451	8,363	9,806	10,745	10,377	-	-	11,653	12,236	12,848
Service charges - sanitation revenue	4,257	5,322	6,783	6,013	7,213	-	-	7,805	8,195	8,605
Service charges - refuse revenue	4,828	5,585	6,495	7,031	7,031	-	-	8,007	8,407	8,827
Service charges - other										
Rental of facilities and equipment	620	471	770	661	601			609	639	671
Interest earned - external investments	133	23	104	36	363			381	400	420
Interest earned - outstanding debtors	-	-	-	-	-					
Dividends received	-	-	-	-	-					
Fines	344	394	445	602	602			602	632	664
Licences and permits	205	287	352	300	350			405	425	446
Agency services	557	1,067	1,084	1,130	1,140			1,109	1,164	1,223
Transfers recognised - operational	24,137	29,844	34,350	38,948	39,328			41,975	44,990	51,235
Other revenue	4,946	9,062	10,763	17,399	10,496	-	-	7,950	8,348	8,765
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>79,073</b>	<b>105,027</b>	<b>121,189</b>	<b>141,792</b>	<b>145,485</b>	<b>-</b>	<b>-</b>	<b>155,109</b>	<b>163,781</b>	<b>175,965</b>
<b>Expenditure By Type</b>										
Employee related costs	33,742	53,267	50,101	62,068	61,959	-	-	68,907	72,352	75,970
Remuneration of councillors	3,452	3,447	4,256	4,322	4,480			4,904	5,149	5,406
Debt impairment		59,887	8,110	2,355	8,500			8,670	9,104	9,559
Depreciation & asset impairment	2,530	46,412	48,037	2,915	49,000	-	-	49,980	52,479	55,103
Finance charges	533	140	42	619						
Bulk purchases	17,975	23,116	29,844	35,162	35,162	-	-	37,975	39,874	41,867
Other materials	4,142	6,567	10,665	8,951	8,574			9,084	9,538	10,015
Contracted services	3,029	3,679	6,549	5,516	5,596	-	-	5,643	5,925	6,221
Transfers and grants	1,877	2,040	3,363	19,229	19,609	-	-	19,762	19,976	21,130
Other expenditure	21,456	20,840	20,772	27,244	26,034	-	-	25,157	26,415	27,736
Loss on disposal of PPE	565									
<b>Total Expenditure</b>	<b>89,301</b>	<b>219,397</b>	<b>181,740</b>	<b>168,381</b>	<b>218,914</b>	<b>-</b>	<b>-</b>	<b>230,081</b>	<b>240,811</b>	<b>253,007</b>
<b>Surplus/(Deficit)</b>	<b>(10,227)</b>	<b>(114,370)</b>	<b>(60,551)</b>	<b>(26,589)</b>	<b>(73,429)</b>	<b>-</b>	<b>-</b>	<b>(74,972)</b>	<b>(77,030)</b>	<b>(77,041)</b>
Transfers recognised - capital	5,894	7,762	8,515	15,929	15,929			16,322	17,242	18,213
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets						-	-			
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(4,333)</b>	<b>(106,608)</b>	<b>(52,036)</b>	<b>(10,660)</b>	<b>(57,500)</b>	<b>-</b>	<b>-</b>	<b>(58,650)</b>	<b>(59,788)</b>	<b>(58,828)</b>

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

MP314 Emakhazeni - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding										
Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure - Vote</b>										
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	6,297	7,832	8,537	16,049	16,004	-	-	16,532	17,463	18,445
Vote 2 - FINANCE & ADMIN	60	0	-	570	40	-	-	61	64	67
Vote 3 - PLANNING & DEVELOPMENT	-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH	-	-	-	50	50	-	-	25	26	28
Vote 5 - COMMUNITY & SOCIAL SERVICES	216	-	-	-	40	-	-	-	-	-
Vote 6 - PUBLIC SAFETY	-	-	3,959	90	70	-	-	71	75	79
Vote 7 - SPORT & RECREATION	49	1	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT	-	-	-	324	15	-	-	15	16	17
Vote 9 - WASTE WATER MANAGEMENT	312	-	0	20	20	-	-	112	117	123
Vote 10 - ROAD TRANSPORT	-	-	-	-	-	-	-	25	26	28
Vote 11 - WATER	41	291	71	200	200	-	-	204	214	225
Vote 12 - ELECTRICITY	68	25	-	260	260	-	-	265	279	293
Vote 13 - OTHER	-	-	-	19	19	-	-	79	83	88
<b>Capital single-year expenditure sub-total</b>	<b>7,044</b>	<b>8,149</b>	<b>12,567</b>	<b>17,582</b>	<b>16,718</b>	<b>-</b>	<b>-</b>	<b>17,389</b>	<b>18,363</b>	<b>19,390</b>
<b>Total Capital Expenditure - Vote</b>	<b>7,044</b>	<b>8,149</b>	<b>12,567</b>	<b>17,582</b>	<b>16,718</b>	<b>-</b>	<b>-</b>	<b>17,389</b>	<b>18,363</b>	<b>19,390</b>
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>	<b>6,358</b>	<b>7,832</b>	<b>8,537</b>	<b>16,619</b>	<b>16,044</b>	<b>-</b>	<b>-</b>	<b>16,593</b>	<b>17,526</b>	<b>18,512</b>
Executive and council	6,297	7,813	8,537	16,229	16,004			16,532	17,463	18,445
Budget and treasury office	60	19		390	40			41	43	45
Corporate services	-	-						20	21	22
<b>Community and public safety</b>	<b>265</b>	<b>1</b>	<b>3,959</b>	<b>140</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>101</b>	<b>106</b>
Community and social services	216		-	-	40					
Sport and recreation	49	1	-	-	-					
Public safety	-		3,959	90	70			71	75	79
Housing	-	-	-	-	-					
Health	-		-	50	50			25	26	28
<b>Economic and environmental services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>26</b>	<b>28</b>
Road transport								25	26	28
<b>Trading services</b>	<b>422</b>	<b>316</b>	<b>71</b>	<b>804</b>	<b>495</b>	<b>-</b>	<b>-</b>	<b>596</b>	<b>626</b>	<b>657</b>
Electricity	68	25	-	260	260			265	279	293
Water	41	291	71	200	200			204	214	225
Waste water management	312		0	20	20			112	117	123
Waste management			-	324	15			15	16	17
<b>Other</b>	<b></b>	<b></b>	<b></b>	<b>19</b>	<b>19</b>	<b></b>	<b></b>	<b>79</b>	<b>83</b>	<b>88</b>
<b>Total Capital Expenditure - Standard</b>	<b>7,044</b>	<b>8,149</b>	<b>12,567</b>	<b>17,582</b>	<b>16,718</b>	<b>-</b>	<b>-</b>	<b>17,389</b>	<b>18,363</b>	<b>19,390</b>
<b>Funded by:</b>										
National Government	5,894	7,762	8,515	15,929	15,929			16,322	17,242	18,213
Transfers recognised - capital	5,894	7,762	8,515	15,929	15,929	-	-	16,322	17,242	18,213
Public contributions & donations			3,959							
Internally generated funds	1,150	388	93	1,652	789			1,067	1,121	1,177
<b>Total Capital Funding</b>	<b>7,044</b>	<b>8,149</b>	<b>12,567</b>	<b>17,581</b>	<b>16,718</b>	<b>-</b>	<b>-</b>	<b>17,389</b>	<b>18,363</b>	<b>19,390</b>

### Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet)

MP314 Emakhazeni - Table A6 Consolidated Budgeted Financial Position

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS												
Current assets												
Cash			233	36	3,025	75	75			77	82	86
Call investment deposits	1		–	–	–	21	21	–	–	2,798	2,938	3,085
Consumer debtors	1		61,127	17,843	18,802	27,782	27,782	–	–	83,330	84,897	89,141
Other debtors			4,079	1,401	2,161	2,410	2,410			2,530	2,657	2,790
Current portion of long-term receivables			–	894	–	–	–					
Inventory	2		697	224	432	235	235			247	259	272
Total current assets			66,136	20,398	24,420	30,523	30,523	–	–	88,982	90,832	95,374
Non current assets												
Long-term receivables												
Investments				–								
Investment property			24,779	27,034	26,976					26,976		
Investment in Associate												
Property, plant and equipment	3		–	555,723	529,975	62,750	62,750	–	–	401,380	451,723	473,659
Agricultural												
Biological												
Intangible			1,156	1,002	828					1,052	1,105	1,160
Other non-current assets												
Total non current assets			25,936	583,759	557,779	62,750	62,750	–	–	429,409	452,828	474,819
TOTAL ASSETS			92,072	604,157	582,200	93,273	93,273	–	–	518,391	543,660	570,193
LIABILITIES												
Current liabilities												
Bank overdraft	1		11,565	1,188								
Borrowing	4		903	981	–	–	–	–	–	–	–	–
Consumer deposits			1,307	1,504	1,636	1,579	1,579			1,658	1,741	1,828
Trade and other payables	4		23,220	61,986	82,590	33,978	33,978	–	–	30,271	31,134	32,041
Provisions			1,836	–	8,768							
Total current liabilities			38,831	65,659	92,995	35,557	35,557	–	–	31,929	32,875	33,869
Non current liabilities												
Borrowing			3,011	–	–	–	–	–	–	–	–	–
Provisions			–	–	2,743	–	–	–	–	–	–	–
Total non current liabilities			3,011	–	2,743	–	–	–	–	–	–	–
TOTAL LIABILITIES			41,841	65,659	95,738	35,557	35,557	–	–	31,929	32,875	33,869
NET ASSETS			50,230	538,498	486,462	57,715	57,715	–	–	486,462	510,785	536,324
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			50,230	538,498	486,462	57,715	57,715			486,462	510,785	536,324
Reserves	4		–	–	–	–	–	–	–	–	–	–
Minorities' interests												
TOTAL COMMUNITY WEALTH/EQUITY			50,230	538,498	486,462	57,715	57,715	–	–	486,462	510,785	536,324

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

MP314 Emakhazeni - Table A7 Consolidated Budgeted Cash Flows

MF 3/14 Eniknazem - Table A1 Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	54,804	75,160	86,734	102,808	105,794	-	-	112,753	118,391	124,310
Government - operating		24,137	29,844	34,350	38,948	39,328			41,975	44,990	51,235
Government - capital	1	5,894	7,762	8,515	15,929	15,929			16,322	17,242	18,213
Interest		133	23	104	36	363	-	-	381	400	420
Dividends											
Payments											
Suppliers and employees		(86,891)	(217,216)	(178,336)	(148,533)	(199,305)	-	-	(210,319)	(220,835)	(231,877)
Finance charges		(533)	(140)	(42)	(619)	-	-	-	-	-	-
Transfers and Grants	1	(1,877)	(2,040)	(3,363)	(19,229)	(19,609)	-	-	(19,762)	(19,976)	(21,130)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(4,333)	(106,608)	(52,036)	(10,660)	(57,500)	-	-	(58,650)	(59,788)	(58,828)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets											
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(4,333)	(106,608)	(52,036)	(10,660)	(57,500)	-	-	(58,650)	(59,788)	(58,828)
Cash/cash equivalents at the year begin:	2	(4,333)	(110,941)	(110,941)					(58,650)	(58,650)	(118,438)
Cash/cash equivalents at the year end:	2	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	-	-	(58,650)	(118,438)	(177,267)

References

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

MP314 Emakhazeni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Ann 514 Ennakizem - Table A6 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	-	-	(58,650)	(118,438)	(177,267)
Other current investments > 90 days		(6,999)	109,789	166,003	10,755	57,596	-	-	61,525	121,458	180,437
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(11,332)</b>	<b>(1,152)</b>	<b>3,025</b>	<b>96</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>2,875</b>	<b>3,020</b>	<b>3,171</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6,996	6,537	11,448	5,000	5,000	-	-	5,000	5,000	5,000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(54,247)	29,644	44,981	(17,662)	(17,662)	-	-	(77,860)	(79,554)	(83,931)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(47,251)</b>	<b>36,181</b>	<b>56,429</b>	<b>(12,662)</b>	<b>(12,662)</b>	<b>-</b>	<b>-</b>	<b>(72,860)</b>	<b>(74,554)</b>	<b>(78,931)</b>
<b>Surplus(shortfall)</b>		<b>35,920</b>	<b>(37,334)</b>	<b>(53,403)</b>	<b>12,758</b>	<b>12,758</b>	<b>-</b>	<b>-</b>	<b>75,735</b>	<b>77,574</b>	<b>82,102</b>



**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

MP314 Emakhazeni - Table A9 Consolidated Asset Management

MP 3.14 Enakrazen - Table A3 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
<b>Total New Assets</b>	1	44,723	49,367	49,769	72,713	74,888	–	55,061	57,814	50,127
Infrastructure - Road transport		5,440	6,100	6,405	6,725	7,062	–	7,062	7,415	7,785
Infrastructure - Electricity		233	300	315	331	347	–	347	365	383
Infrastructure - Water		8,496	9,491	9,966	10,464	10,987	–	10,987	11,536	12,113
Infrastructure - Sanitation		9,426	10,367	10,885	11,430	12,001	–	12,001	12,601	13,231
Infrastructure - Other		4,318	4,749	4,847	4,949	5,057	–	5,197	5,456	5,729
Infrastructure		27,913	31,007	32,418	33,899	35,454	–	35,593	37,373	39,242
Community		4,896	5,385	5,540	5,703	5,703	–	5,988	6,288	6,602
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	10,228	11,249	11,811	12,402	13,022	–	13,479	14,153	4,283
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		1,686	1,726	–	20,710	20,710	–	–	–	–
<b>Total Renewal of Existing Assets</b>	2	6,238	6,639	9,217	9,539	9,539	–	8,956	9,404	9,873
Infrastructure - Road transport		853	818	662	662	662	–	859	902	947
Infrastructure - Electricity		2,360	2,507	3,666	4,217	4,217	–	3,768	3,956	4,154
Infrastructure - Water		58	124	264	264	264	–	177	186	195
Infrastructure - Sanitation		651	1,230	1,699	1,399	1,399	–	1,478	1,552	1,629
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		3,922	4,678	6,291	6,543	6,543	–	6,282	6,596	6,925
Community		132	26	196	196	196	–	150	158	165
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	2,183	1,935	2,730	2,800	2,800	–	2,524	2,651	2,783
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		6,293	6,918	7,067	7,388	7,724	–	7,920	8,316	8,732
Infrastructure - Electricity		2,593	2,807	3,981	4,548	4,565	–	4,115	4,321	4,537
Infrastructure - Water		8,554	9,615	10,230	10,728	11,251	–	11,164	11,723	12,308
Infrastructure - Sanitation		10,077	11,597	12,585	12,829	13,400	–	13,479	14,153	14,860
Infrastructure - Other		4,318	4,749	4,847	4,949	5,057	–	5,197	5,456	5,729
Infrastructure		31,835	35,685	38,709	40,441	41,997	–	41,875	43,969	46,167
Community		5,028	5,411	5,736	5,899	5,899	–	6,138	6,445	6,767
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	12,411	13,184	14,541	15,202	15,822	–	16,003	16,803	7,066
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		1,686	1,726	–	20,710	20,710	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	50,961	56,006	58,986	82,252	84,427	–	64,017	67,218	60,000
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		–	–	–	–	–	–	–	–	–
Community										
Heritage assets										
Investment properties		24,779	27,034	26,976	–	–	–	26,976	–	–
Other assets										
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		1,156	1,002	828	–	–	–	1,052	1,105	1,160
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	25,936	28,036	27,804	–	–	–	28,029	1,105	1,160
EXPENDITURE OTHER ITEMS										
<b>Depreciation &amp; asset impairment</b>	3	2,530	46,412	48,037	2,915	49,000	–	49,980	52,479	55,103
<b>Repairs and Maintenance by Asset Class</b>		–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	–	–	–	–	–	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		2,530	46,412	48,037	2,915	49,000	–	49,980	52,479	55,103
<b>Renewal of Existing Assets as % of total capex</b>		12.2%	11.9%	15.6%	11.6%	11.3%	0.0%	14.0%	14.0%	16.5%
<b>Renewal of Existing Assets as % of deprecn</b>		246.6%	14.3%	19.2%	327.2%	19.5%	0.0%	17.9%	17.9%	17.9%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal and R&amp;M as a % of PPE</b>		24.0%	24.0%	33.0%	0.0%	0.0%	0.0%	32.0%	851.0%	851.0%

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

MP314 Emakhazeni - Table A10 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		9,204	9,404	9,404	9,404	9,404		9,404	9,404	9,404
Piped water inside yard (but not in dwelling)		1,954	1,754	1,754	1,754	1,754		1,754	1,754	1,754
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		11,158	11,158	11,158	11,158	11,158	–	11,158	11,158	11,158
Using public tap (< min.service level)	3	630	500	500	500	500		500	500	500
Other water supply (< min.service level)	4	329	354							
No water supply										
<i>Below Minimum Service Level sub-total</i>		959	854	500	500	500	–	500	500	500
<b>Total number of households</b>	5	12,117	12,012	11,658	11,658	11,658	–	11,658	11,658	11,658
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		10	265	265	397	397		440	265	265
Flush toilet (with septic tank)				109	110	110		106	105	109
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		10	265	374	507	507	–	546	264,632	264,636
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	10	265	374	507	507	–	546	264,632	264,636
<b>Energy:</b>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)		6,191	6,560	6,932	7,000	7,000		7,102	7,102	7,106
<i>Minimum Service Level and Above sub-total</i>		6,191	6,560	6,932	7,000	7,000	–	7,102	7,102	7,106
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	6,191	6,560	6,932	7,000	7,000	–	7,102	7,102	7,106
<b>Refuse:</b>										
Removed at least once a week		12	12	12	12	12		12	12	12
<i>Minimum Service Level and Above sub-total</i>		11,960	11,960	11,960	11,960	11,960	–	11,960	11,960	11,960
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump		1	3	3	3	3		3	3	3
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		1,400	2,618	2,618	2,618	2,618	–	2,618	2,618	2,618
<b>Total number of households</b>	5	13,360	14,578	14,578	14,578	14,578	–	14,578	14,578	14,578
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		13	14	16	18	18		18	18	20
Sanitation (free minimum level service)		34	37	42	47	47		47	47	52
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		0	0	0	0	0	0	0	0	0
Sanitation (free sanitation service)		0	0	0	0	0	0	0	0	0
Electricity/other energy (50kwh per household per month)		0	0	0	0	0	0	0	0	0
Refuse (removed once a week)		0	0	0	0	0	0	0	0	0
<b>Total cost of FBS provided (minimum social package)</b>		0	0	0	0	0	0	0	0	0
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		114	126	142	158	158	158	175		
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		50	56	63	70	70	78	86		
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		46	52	58	65	65	73	81		
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		380	411	436	436	436		436	436	436
Property rates (other exemptions, reductions and rebates)			7,611	3,319	3,319	3,319		3,319	3,319	3,319
Water		302	986	1,393	332	1,500		1,530	1,607	1,687
Sanitation		267	288	366	366	366		366	366	366
Electricity/other energy		3,178	858	2,464	2,583	2,464		2,464	2,464	2,464
Refuse		421	453	577	577	577		577	577	577
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	4,548	10,606	8,555	7,613	8,662	–	8,692	8,769	8,849

## **Part 2 – Supporting Documentation**

### ***2.1 Overview of the annual budget process***

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **a. Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The following has been adhered to in terms of the Budget Time Table and IDP process plan:

- Service delivery implementation were drafted and approved by Council on 26 July 2013.
- Budget timetable for 2013/14 - 2015/2016 scheduling key deadlines was adopted by council on 26 July 2013.
- Annual financial statements were prepared and submitted to the Auditor General by the 31<sup>st</sup> August 2011, then they were audited between September and October 2011 and the municipality got a qualified audit opinion.
- Nkangala Outreach Programme was held in 24 February 2013 at, Siyathuthuka Stadium.
- The IDP review process was done in the month of February and March 2013
- The Mid-year budget and performance assessment as informed by Section 72 of the MFMA report has been prepared and tabled to Council 31 January 2013.
- The proposed adjustment budget has been done and approved by Council on the 28 February 2013.
- The draft annual budget is tabled to Council on the 28 March 2013
- The public participation meetings are to take place to consult on the MTREF 2013/14 in the month of April 2013

### ***2.2 Overview of alignment of annual budget with IDP***

The Emakhazeni Local Council adopted an Integrated Development Plan (IDP) process plan in terms of section 28 of the Municipal Systems Act which clarified the roles and responsibilities of IDP structures that must be established for the consideration of the final IDP review for the 2010/2011 Financial Year.

This review process was done in terms of section 34 of the MSA<sup>2</sup> which inter-alia reads as follows:

*"A municipal Council must review its IDP in accordance with an assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand; and may amend its IDP in accordance with a prescribed process".*

Therefore, the purpose of this review is to incorporate the views of the community of Emakhazeni, as influenced by changing circumstances.

Accordingly, section 25 of the Municipal Structures Act (MSA) says that each municipal council must, within a prescribed period after its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which;

- (a) Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- (b) Aligns the resources and capacity of the municipality with the implementation of the plan;
- (c) Forms the policy framework and general basis on which annual budgets must be based
- (d) Is compatible with National and Provincial development plan and planning requirements binding on the municipality in terms of MFMA Circular no. 54.

An integrated development plan adopted by a municipal council in terms of sub-section (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council.

Although, the legislation allows the revised 2010-2011 IDP to remain in force until the newly elected council plans drafts, and adopt its own IDP, the councilors have felt that a new fifth revision needs to be planned, drafted and adopted since there are circumstances on the ground that necessitate the adoption of a new revised IDP. These circumstances include but are not limited to the election of new cabinet with a different set of priorities, adoption of new growth path towards creation of decent work.

So, these circumstances together with other provincial and district priorities necessitate the drafting and adoption of a new five year plan to guide all planning of the municipality in the next five years.

In drafting the IDP for the next five years, the municipality has followed its process plan adopted in terms of section 28 (1)(2) and (3) of the Municipal Systems Act, adopted by council during July 2010.

Unfortunately the adopted process plan has had to be amended three times due to circumstances that necessitated such review. These circumstances include among other issues, the following:

- Community unrests
- National Treasury's Municipal Financial Management Act (MFMA) circular no: 54
- The late receipt of Nkangala District Municipality's framework plan binding on the municipality.

Section 26 (a) to (i) of the MSA<sup>2</sup> prescribes nine (9) key components which must appear on a credible IDP and these components are discussed in summary below.

- a) The vision of the Municipality was amended during the strategic planning session held from the 02 to the 04<sup>th</sup> of March 2008 and it now reads as follows: "A secure environment with sustainable

development to promote service excellence, unity and community participation, resulting in a caring society”.

This means that the Municipality is thriving to rapidly transform its internal systems such that they are conducive for the rendering of excellence in service delivery which will encourage communities to hold Council accountable, and make each member of the public to be a watch dog of service delivery.

- b) Chapter 3 of the IDP document discusses the existing level of development in the Municipality. Since the Municipality does not have sufficient capacity to conduct regular Social Surveys, it relies on the Census 2001 data as its source of information.

- The municipal council’s vision for the long term development of the municipality with special emphasis on the municipality’s most critical development and internal transformation needs.
- The current vision of the municipality remains relevant and it reads as follows;

*"A secure environment with sustainable development to promote service excellence, unity and community participation, resulting in a caring society”.*

The new five year Strategic plan is the era of community service, developmental planning and delivery services for the community of Emakhazeni.

The 2014 in particular is going to be an important year for the country and other countries that are a signatory to the Millennium Development goals adopted by the United Nations (UN).

- (c) Guided by the community, the Municipal Council has developed a set of 25 priority development issues as per the requirement of section 26 (c), which are clustered into five Key Performance Areas, to be implemented during the next three years. They further include the priority areas as indicated in the 2011 State of the Nation Address and the Mpumalanga Economic Growth Path.

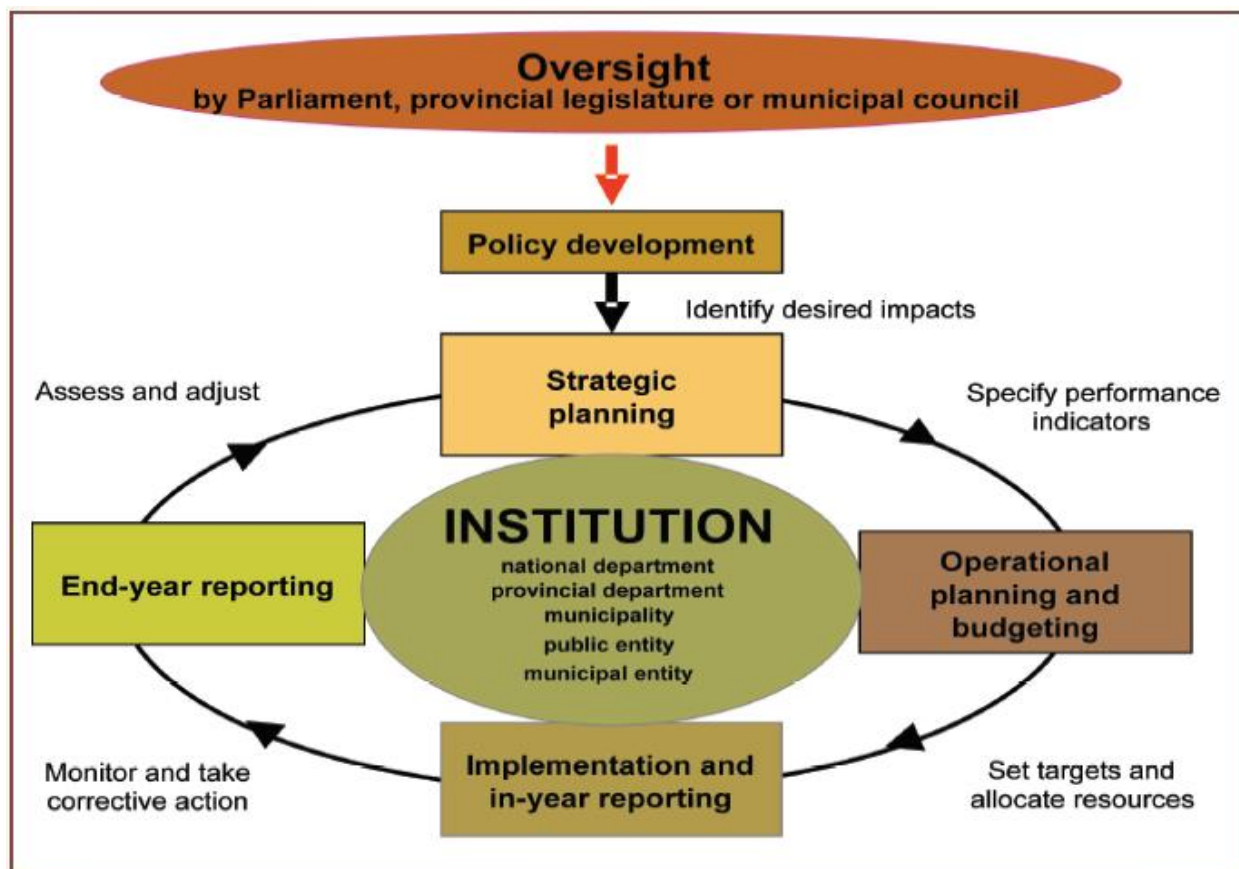
The Key Performance Areas are the following:

1. Service Delivery and Infrastructure Developments
2. Local Economic Development
3. Municipal Financial Liability
4. Institutional Transformation
5. Good Governance and Public Participation

### **2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



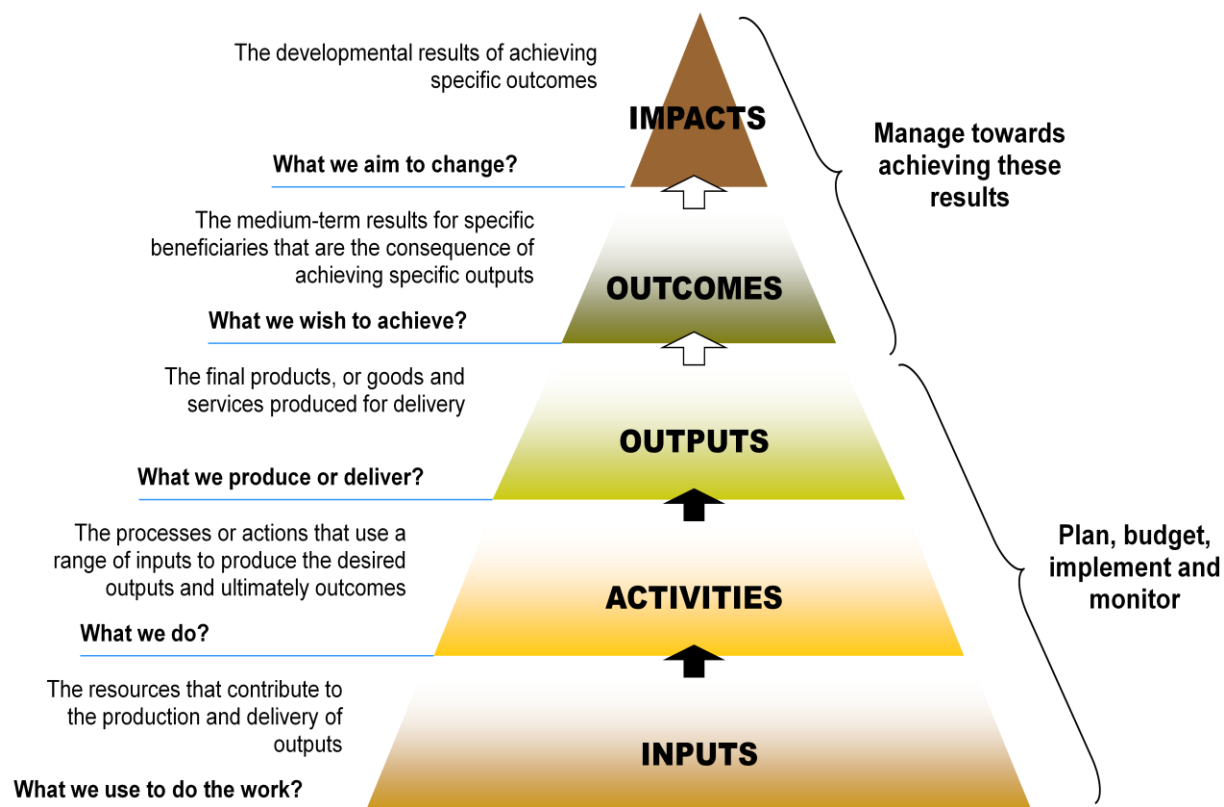
**Figure 1 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:





**Figure 2 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

#### **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The purpose of these policies is to prescribe the accounting and administrative and procedures relating to Emakhazeni Municipality.

The Municipality performs the procedures set out in the policies to ensure the effective planning and sound financial management

1. **Debt Management Policy** - The implementation of this policy should be based on sound business practices. This includes credit worthiness checks when application for services is made, as well as debt collection through sanctions of warnings, disconnections, evictions and other legal processes.
2. **Supply Chain Management Policy** - The purpose of this manual is to prescribe the policies and procedures relating to Supply Chain Management of the Emakhazeni Municipality. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services.
3. **Budget Management Policy** - The purpose of this policy is to provide an overview of the procedure for the structural process of Planning and Managing the Budget. The procedures include the development of

budgets, including the preparation of the budget, revision, approval, monitoring and evaluation of budgetary performance for a financial year.

4. **Indigent Policy** - to provide access and regulate free basic services to all indigent households.
5. **Tariff Policy** –the purpose of this policy is to determine the tariffs which must be charged for the supply of the four major services, which are : water, electricity, sewerage & refuse.
6. **Property Rates Policy** – the purpose of this policy is to assist the municipality to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor. It be noted that the municipality is working on final draft.
7. **Asset Management Policy** – this policy provide guidelines on the management of assets. It must however be noted that the final policy which is GRAP compliant will be provided with the final approved budget as it is still work in progress.
8. **Banking and investment policy** – this policy prescribes for the management of cash and the investing of municipal money.
9. **Borrowing policy** – no policy in place.
10. **Funding & reserves policy** – no policy in place, the municipality does not have reserves at the moment.

## 2.5 Overview of budget assumptions

### 2.51 External factors

We will further investigate the following during our public participation process as well as per internal research and take the following into consideration:

- Confirm the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality or entity,
- Ensure the need to ensure financial sustainability,
- Reconsider the local economic conditions and the affordability of services,
- Taking into consideration the municipality's indigent policy.
- We also considered relevant policy developments in the different sectors.
- In considering changes in property rates, the municipality took cognizance of local economic conditions such as the down turn in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Headline inflation forecasts:

Fiscal year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual		Estimate	Forecast	Forecast	Forecast
Real GDP growth	3.4	3.1	2.5	3.0	3.6	3.8
CPI Inflation	3.8 %	5.6%	5.6%	5.6%	5.4%	5.4%

Source: Budget Review 2013

## 2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. The multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015 has been taken into consideration. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year. Hence 6.85% increase was provided for in the budget.

## 2.6 Overview of Budget Funding

Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>								
Property rates	11,006	16,162	19,682	23,520	29,394	32,937	34,584	36,313
Service charges	37,127	47,717	53,638	59,196	63,211	69,141	72,598	76,228
Investment revenue	133	23	104	36	363	381	400	420
Transfers recognised - operational	24,137	29,844	34,350	38,948	39,328	41,975	44,990	51,235
Other own revenue	6,671	11,281	13,414	20,092	13,189	10,675	11,209	11,769
<b>Total Revenue (excluding capital transfers and contributions)</b>	79,073	105,027	121,189	141,792	145,485	155,109	163,781	175,965
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(4,333)	(106,608)	(52,036)	(10,660)	(57,500)	(58,650)	(59,788)	(58,828)

## MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>National Government:</b>		5,894	7,762	8,516	15,929	16,309	-	16,322	17,242	18,213
Municipal Infrastructure Grant (MIG)		5,894	7,762	8,516	15,929	15,929		16,322	17,242	18,213
MIG ROLLOVER						380				
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	5,894	7,762	8,516	15,929	16,309	-	16,322	17,242	18,213
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		30,031	37,621	42,851	54,877	55,257	-	58,297	62,232	69,448

MP314 Emakhazeni - Table A7 Consolidated Budgeted Cash Flows								
Description	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	54,804	75,160	86,734	102,808	105,794	112,753	118,391	124,310
Government - operating	24,137	29,844	34,350	38,948	39,328	41,975	44,990	51,235
Government - capital	5,894	7,762	8,515	15,929	15,929	16,322	17,242	18,213
Interest	133	23	104	36	363	381	400	420
Dividends								
<b>Payments</b>								
Suppliers and employees	(86,891)	(217,216)	(178,336)	(148,533)	(199,305)	(210,319)	(220,835)	(231,877)
Finance charges	(533)	(140)	(42)	(619)	-	-	-	-
Transfers and Grants	(1,877)	(2,040)	(3,363)	(19,229)	(19,609)	(19,762)	(19,976)	(21,130)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(4,333)</b>	<b>(106,608)</b>	<b>(52,036)</b>	<b>(10,660)</b>	<b>(57,500)</b>	<b>(58,650)</b>	<b>(59,788)</b>	<b>(58,828)</b>
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(4,333)</b>	<b>(106,608)</b>	<b>(52,036)</b>	<b>(10,660)</b>	<b>(57,500)</b>	<b>(58,650)</b>	<b>(59,788)</b>	<b>(58,828)</b>
Cash/cash equivalents at the year begin:		(4,333)	(110,941)				(58,650)	(118,438)
Cash/cash equivalents at the year end:	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	(58,650)	(118,438)	(177,267)

MP314 Emakhazeni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	-	-	(58,650)	(118,438)	(177,267)
Other current investments > 90 days		(6,999)	109,789	166,003	10,755	57,596	-	-	61,525	121,458	180,437
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(11,332)</b>	<b>(1,152)</b>	<b>3,025</b>	<b>96</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>2,875</b>	<b>3,020</b>	<b>3,171</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		6,996	6,537	11,448	5,000	5,000	-	-	5,000	5,000	5,000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(54,247)	29,644	44,981	(17,662)	(17,662)	-	-	(77,860)	(79,554)	(83,931)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(47,251)</b>	<b>36,181</b>	<b>56,429</b>	<b>(12,662)</b>	<b>(12,662)</b>	<b>-</b>	<b>-</b>	<b>(72,860)</b>	<b>(74,554)</b>	<b>(78,931)</b>
<b>Surplus(shortfall)</b>		<b>35,920</b>	<b>(37,334)</b>	<b>(53,403)</b>	<b>12,758</b>	<b>12,758</b>	<b>-</b>	<b>-</b>	<b>75,735</b>	<b>77,574</b>	<b>82,102</b>

**MBRR SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	–	–	(58,650)	(118,438)	(177,267)
Cash + investments at the yr end less applications - R'000	18(1)b	2	35,920	(37,334)	(53,403)	12,758	12,758	–	–	75,735	77,574	82,102
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.7)	(8.5)	(17.0)	(0.9)	(4.6)	–	–	(4.4)	(8.5)	(12.1)
Surplus/(Deficit) ex cluding depreciation offsets: R'000	18(1)	4	(4,333)	(106,608)	(52,036)	(10,660)	(57,500)	–	–	(58,650)	(59,788)	(58,828)
Service charge rev % change - macro CPIX target ex clus	18(1)a,(2)	5	N.A.	26.7%	8.8%	6.8%	6.0%	(106.0%)	(6.0%)	4.2%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	93.1%	10.9%	2.8%	9.1%	0.0%	0.0%	8.4%	8.4%	8.4%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (ex cl. transfer	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								357.2%	360.9%	381.3%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(69.1%)	4.1%	44.0%	0.0%	(100.0%)	0.0%	184.4%	2.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	88.6%	81.5%	73.3%	54.3%	57.1%	0.0%	0.0%	51.5%	51.2%	50.9%

**MP314 Emakhazeni - Supporting Table SA15 Investment particulars by type**

Annex 37: Expenditure - Supporting table 37.1 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					21	21		2,798	2,938	3,085
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	21	21	-	2,798	2,938	3,085
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	21	21	-	2,798	2,938	3,085

## 2.7 Expenditure on grants and reconciliations of unspent funds

MP314 Emakhazeni - Supporting Table SA19 Expenditure on transfers and grant programme									
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1								
<b>Operating expenditure of Transfers and Grants</b>									
National Government:		23,887	29,859	34,335	38,150	38,150	41,975	44,990	51,235
Local Government Equitable Share		22,224	28,324	31,562	35,648	35,648	38,535	42,256	48,318
Finance Management		935	1,000	1,250	1,002	1,002	1,550	1,800	1,950
Municipal Systems Improvement		727	535	790	800	800	890	934	967
Integrated National Electrification Programme				342	-	-			
EPWP Incentive				391	700	700	1,000		
Provincial Government:		250	-	-	-	-	-	-	-
DSCR		250	-	-					
District Municipality:		-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		24,137	29,859	34,335	38,150	38,150	41,975	44,990	51,235
<b>Capital expenditure of Transfers and Grants</b>									
National Government:		901	5,894	8,516	5,975	5,975	16,322	17,242	18,213
Municipal Infrastructure Grant (MIG)		901	5,894	8,516	5,975	5,975	16,322	17,242	18,213
Total capital expenditure of Transfers and Grants		901	5,894	8,516	5,975	5,975	16,322	17,242	18,213
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		25,038	35,754	42,851	44,125	44,125	58,297	62,232	69,448

MP314 Emakhazeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		30,031	37,621	42,851	54,877	55,257		58,297	62,232	69,448
Current year receipts										
Conditions met - transferred to revenue		30,031	37,621	42,851	54,877	55,257	-	58,297	62,232	69,448
Total operating transfers and grants revenue		30,031	37,621	42,851	54,877	55,257	-	58,297	62,232	69,448
Total operating transfers and grants - C	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		5,894	7,762	8,516	15,929	15,929		16,322	17,242	18,213
Current year receipts										
Conditions met - transferred to revenue		5,894	7,762	8,516	15,929	15,929	-	16,322	17,242	18,213
Total capital transfers and grants revenue		5,894	7,762	8,516	15,929	15,929	-	16,322	17,242	18,213
Total capital transfers and grants - CTB	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		35,926	45,382	51,367	70,806	71,186	-	74,619	79,474	87,661
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## 2.8 Councillor and employee benefits

*These are presented in the following schedules: SA 22& 23 together with the summary of the personnel numbers in SA24*

MP314 Emakhazeni - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	1	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		1,867	1,944	3,889	3,956	4,114		4,197	4,407	4,627
Pension and UIF Contributions		240	269	368	366	366		707	742	779
Medical Aid Contributions		59	55	–	–					
Other benefits and allowances		1,321	1,143							
<b>Sub Total - Councillors</b>		<b>3,488</b>	<b>3,411</b>	<b>4,256</b>	<b>4,322</b>	<b>4,480</b>	<b>–</b>	<b>4,904</b>	<b>5,149</b>	<b>5,406</b>
<b>% increase</b>	<b>4</b>		<b>(2.2%)</b>	<b>24.8%</b>	<b>1.5%</b>	<b>3.7%</b>	<b>(100.0%)</b>	<b>–</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		751	1,700	1,588	2,358	2,358				
Pension and UIF Contributions		215	374	404	519	519				
Medical Aid Contributions		30	54	55	82	82				
Cellphone Allowance	3		355	404	447	447				
Housing Allowances	3	434	806	826	746	746				
Other benefits and allowances	3	23	16	17	12	12				
<b>Sub Total - Senior Managers of Municipality</b>		<b>1,453</b>	<b>3,306</b>	<b>3,294</b>	<b>4,163</b>	<b>4,163</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	<b>4</b>		<b>127.6%</b>	<b>(0.4%)</b>	<b>26.4%</b>	<b>–</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		20,422	31,041	26,305	37,334	38,005		41,353	43,421	45,592
Pension and UIF Contributions		4,437	6,306	6,064	7,651	7,283		9,674	10,158	10,666
Medical Aid Contributions		1,014	1,011	1,784	2,521	2,943		3,352	3,519	3,695
Overtime		2,818	3,351	2,657	2,982	427		3,232	3,393	3,563
Performance Bonus		1,659	2,291	2,263	3,362	–		3,413	3,584	3,763
Motor Vehicle Allowance	3			4,064	427	6		5,669	5,952	6,250
Cellphone Allowance	3	–	–		11	2,757		161	169	177
Housing Allowances	3	68	66	57	6	2,673		71	74	78
Other benefits and allowances	3	34	41	3,053	3,611	3,702		1,982	2,081	2,185
Payments in lieu of leave				560	–			–		
<b>Sub Total - Other Municipal Staff</b>		<b>30,453</b>	<b>44,108</b>	<b>46,807</b>	<b>57,904</b>	<b>57,795</b>	<b>–</b>	<b>68,907</b>	<b>72,352</b>	<b>75,970</b>
<b>% increase</b>	<b>4</b>		<b>44.8%</b>	<b>6.1%</b>	<b>23.7%</b>	<b>(0.2%)</b>	<b>(100.0%)</b>	<b>–</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Total Parent Municipality</b>										
<b>% increase</b>	<b>4</b>		<b>43.6%</b>	<b>7.0%</b>	<b>22.1%</b>	<b>0.1%</b>	<b>(100.0%)</b>	<b>–</b>	<b>5.0%</b>	<b>5.0%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>5,7</b>	<b>31,906</b>	<b>47,414</b>	<b>50,101</b>	<b>62,068</b>	<b>61,959</b>	<b>–</b>	<b>68,907</b>	<b>72,352</b>	<b>75,970</b>



**MP314 Emakhazeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b><u>Councillors</u></b>	3							
Speaker	4		332,087	43,523	169,764			545,374
Chief Whip								-
Executive Mayor			380,116	88,444	205,987			674,547
Deputy Executive Mayor								-
Executive Committee			944,381	195,236	399,625			1,539,242
Total for all other councillors			1,463,264	285,301	395,967			2,144,532
<b>Total Councillors</b>	8	-	<b>3,119,848</b>	<b>612,504</b>	<b>1,171,343</b>			<b>4,903,695</b>
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)			475,236	138,989	210,010	39,603		863,838
Chief Finance Officer			551,346	140,816	-	45,946		738,108
								-
								-
								-
<i>List of each official with packages &gt;= senior manager</i>								-
MANAGER CORPORATE SERVICES			396,293	127,099	133,883	33,024		690,299
MANAGER TECHNICAL SERVICES			367,414	115,252	174,147	30,618		687,431
MANAGER COMMUNITY SERVICES			375,407	121,450	160,357	31,284		688,498
								-
								-
								-
ALL OTHER EMPLOYEES			39,187,679	17,596,368	5,221,964	3,232,410		65,238,421
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>41,353,375</b>	<b>18,239,974</b>	<b>5,900,361</b>	<b>3,412,885</b>		<b>68,906,595</b>

MP314 Emakhazeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		15		15	15		15	15		15
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	1		5	1		5	1	
Other Managers	7	16			16			17		
Professionals		27	27	-	27	28	-	27	28	-
Finance		5	5	-	5	5	-	5	5	-
Spatial/town planning										
Information Technology										
Roads										
Electricity		8	8	-	8	8	-	8	8	-
Water										
Sanitation										
Refuse										
Other		14	14	-	14	15	-	14	15	-
Technicians		4	80	-	4	84	-	4	84	-
Finance				-	4	4	-	4	4	-
Spatial/town planning		4	4							
Information Technology				-		8	-		8	-
Roads			8							
Electricity				-			-			-
Water				-			-			-
Sanitation				-			-			-
Refuse				-			-			-
Other			68			72			72	
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators			264			264			264	
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	67	372	15	67	377	15	68	377	15
<b>% increase</b>					-	1.3%	-	1.5%	-	-
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

## 2.9 Monthly targets for revenue, expenditure and cash

Monthly targets are presented in the following tables in SA25, SA26, SA27,,SA29 and SA30

MP314 Emakhazeni - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source																	
Property rates			9,797	1,689	1,877	2,835	1,826	1,951	2,480	1,388	1,388	1,388	1,388	4,930	32,937	34,584	36,313
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			3,729	3,800	3,270	3,127	2,971	3,000	2,816	3,176	3,176	3,176	3,176	6,262	41,677	43,760	45,948
Service charges - water revenue			1,230	890	987	799	810	916	953	758	758	758	758	2,034	11,653	12,236	12,848
Service charges - sanitation revenue			608	607	600	603	659	603	601	550	550	550	550	1,323	7,805	8,195	8,605
Service charges - refuse revenue			627	530	619	623	629	624	627	587	587	587	587	1,380	8,007	8,407	8,827
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			27	36	44	40	49	50	45	62	62	62	62	70	609	639	671
Interest earned - external investments			-	-	-	-	18	181	-	33	33	33	33	51	381	400	420
Interest earned - outstanding debtors			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			34	34	34	34	34	34	34	34	34	34	34	234	602	632	664
Licences and permits			34	34	34	34	34	34	34	34	34	34	34	33	405	425	446
Agency services			-	-	108	201	178	-	-	131	131	131	131	99	1,109	1,164	1,223
Transfers recognised - operational			1,550	16,161	-	-	166	12,017	-	-	12,081	-	-	-	41,975	44,990	51,235
Other revenue			125	163	214	146	99	219	77	1,891	1,891	1,891	1,891	(655)	7,950	8,348	8,765
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			17,761	23,943	7,788	8,442	7,471	19,628	7,666	8,642	20,723	8,642	8,642	15,762	155,109	163,781	175,965
Expenditure By Type																	
Employee related costs			4,412	4,833	4,471	4,581	4,661	4,707	4,949	632	632	632	632	33,763	68,907	72,352	75,970
Remuneration of councillors			354	354	354	354	354	471	374	373	373	373	373	796	4,904	5,149	5,406
Debt impairment			-	-	-	-	-	-	-	-	-	-	-	8,670	8,670	9,104	9,559
Depreciation & asset impairment			-	-	-	-	-	-	-	-	-	-	-	49,980	49,980	52,479	55,103
Finance charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases			4,239	4,771	58	5,319	2,110	44	2,086	3,271	3,271	3,271	3,271	6,266	37,975	39,874	41,867
Other materials			34	607	669	378	332	533	853	1,002	1,002	1,002	1,002	1,671	9,084	9,538	10,015
Contracted services			81	388	403	1,088	375	730	1,547	197	197	197	197	244	5,643	5,925	6,221
Transfers and grants			33	550	450	312	512	1,805	1,037	2,982	2,982	2,982	2,982	3,135	19,762	19,976	21,130
Other expenditure			211	1,194	894	1,109	2,298	2,217	1,474	2,996	2,996	2,996	2,996	3,776	25,157	26,415	27,736
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			9,363	12,697	7,299	13,142	10,641	10,507	12,321	11,452	11,452	11,452	11,452	108,301	230,081	240,811	253,007
Surplus/(Deficit)			8,397	11,246	488	(4,700)	(3,170)	9,121	(4,655)	(2,810)	9,271	(2,810)	(2,810)	(92,539)	(74,972)	(77,030)	(77,041)
Transfers recognised - capital			656	-	-	-	8,498	-	-	7,168	-	-	-	-	16,322	17,242	18,213
Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			9,053	11,246	488	(4,700)	5,328	9,121	(4,655)	(2,810)	16,439	(2,810)	(2,810)	(92,539)	(58,650)	(59,788)	(58,828)
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1		9,053	11,246	488	(4,700)	5,328	9,121	(4,655)	(2,810)	16,439	(2,810)	(2,810)	(92,539)	(58,650)	(59,788)	(58,828)

MP314 Emakhazeni - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

014 Mainland Supporting Table 014 Consolidated Budgeted monthly revenue and expenditure (Mainland Vote)																
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure		
														Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE & COUNCIL		11,397	17,850	1,877	2,839	1,880	13,571	2,481	1,667	13,328	1,667	1,667	18,586	88,810	94,271	103,089
Vote 2 - FINANCE & ADMIN		32	50	53	53	53	44	44	44	44	44	44	695	1,195	1,255	1,318
Vote 3 - PLANNING & DEVELOPMENT		26	9	32	19	185	176	7	167	167	167	167	410	1,531	1,607	1,688
Vote 4 - HEALTH		-											-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		5	3	7	5	4	3	3	5	5	5	5	12	64	67	71
Vote 6 - PUBLIC SAFETY		95	3		88	17	19	38		20			20	300	315	331
Vote 7 - SPORT & RECREATION		2	2	9	6	12	20	14	24	24	24	24	13	174	183	192
Vote 8 - WASTE MANAGEMENT		628	530	619	623	629	625	603	596	596	596	596	1,393	8,035	8,436	8,858
Vote 9 - WASTE WATER MANAGEMENT		611	609	602	603	659	605	633	548	548	548	548	1,324	7,837	8,228	8,640
Vote 10 - ROAD TRANSPORT		7	66	258	217	211	584	28	1,322	1,522	1,322	1,322	1,026	7,885	8,280	8,694
Vote 11 - WATER		1,230	891	989	802	810	917	954	1,064	1,064	1,064	1,064	2,377	13,228	13,890	14,584
Vote 12 - ELECTRICITY		3,729	3,930	3,342	3,188	3,011	3,065	2,863	3,205	3,405	3,205	3,205	6,226	42,372	44,491	46,715
Vote 13 - OTHER													-	-	-	-
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Revenue by Vote		17,761	23,943	7,788	8,442	7,471	19,628	7,666	8,642	20,723	8,642	8,642	32,083	171,431	181,023	194,178
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE & COUNCIL		923	2,054	1,505	1,633	1,606	3,143	2,429	2,891	2,891	2,891	2,891	17,205	42,064	43,393	45,718
Vote 2 - FINANCE & ADMIN		1,369	1,708	1,712	2,214	2,317	2,741	2,835	2,554	2,554	2,554	2,554	56,347	81,461	85,534	89,810
Vote 3 - PLANNING & DEVELOPMENT		593	739	633	754	690	836	696	1,069	1,069	1,069	1,069	3,072	12,289	12,904	13,549
Vote 4 - HEALTH		106	108	106	107	107	107	107	125	125	125	125	9	1,258	1,320	1,386
Vote 5 - COMMUNITY & SOCIAL SERVICES		182	182	182	182	182	182	215	215	215	215	215	19	2,188	2,298	2,413
Vote 6 - PUBLIC SAFETY		76	107	101	97	148	134	108	172	172	172	172	698	2,156	2,264	2,377
Vote 7 - SPORT & RECREATION		234	264	281	252	302	339	296	137	137	137	137	1,411	3,928	4,125	4,331
Vote 8 - WASTE MANAGEMENT		387	689	455	500	456	502	491	884	884	884	884	1,930	8,943	9,391	9,860
Vote 9 - WASTE WATER MANAGEMENT		286	387	424	442	335	424	415	577	577	577	577	1,006	6,027	6,328	6,645
Vote 10 - ROAD TRANSPORT		553	764	529	865	755	827	586	1,060	1,060	1,060	1,060	6,196	15,315	16,081	16,885
Vote 11 - WATER		193	361	488	349	703	563	854	830	830	830	830	1,359	8,190	8,600	9,030
Vote 12 - ELECTRICITY		4,420	5,286	831	5,693	3,000	659	3,021	876	876	876	876	18,556	44,970	47,219	49,580
Vote 13 - OTHER		40	47	52	54	40	48	269	61	61	61	61	496	1,291	1,356	1,423
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Expenditure by Vote		9,363	12,697	7,299	13,142	10,641	10,507	12,321	11,452	11,452	11,452	11,452	108,304	230,081	240,811	253,007
Surplus/(Deficit) before assoc.		8,398	11,246	489	(4,700)	(3,170)	9,121	(4,655)	(2,810)	9,271	(2,810)	(2,810)	(76,221)	(58,650)	(59,788)	(58,828)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	8,398	11,246	489	(4,700)	(3,170)	9,121	(4,655)	(2,810)	9,271	(2,810)	(2,810)	(76,221)	(58,650)	(59,788)	(58,828)

MP314 Emakhazeni - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Table 6.12 Consolidated Budgeted monthly revenue and expenditure (in millions of dollars)																
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE & COUNCIL		11,397	17,850	1,877	2,839	1,880	13,571	2,481	1,667	13,328	1,667	1,667	18,586	88,810	94,271	103,089
Vote 2 - FINANCE & ADMIN		32	50	53	53	53	44	44	44	44	44	44	695	1,195	1,255	1,318
Vote 3 - PLANNING & DEVELOPMENT		26	9	32	19	185	176	7	167	167	167	167	410	1,531	1,607	1,688
Vote 4 - HEALTH		-											-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		5	3	7	5	4	3	3	5	5	5	5	12	64	67	71
Vote 6 - PUBLIC SAFETY		95	3		88	17	19	38		20			20	300	315	331
Vote 7 - SPORT & RECREATION		2	2	9	6	12	20	14	24	24	24	24	13	174	183	192
Vote 8 - WASTE MANAGEMENT		628	530	619	623	629	625	603	596	596	596	596	1,393	8,035	8,436	8,858
Vote 9 - WASTE WATER MANAGEMENT		611	609	602	603	659	605	633	548	548	548	548	1,324	7,837	8,228	8,640
Vote 10 - ROAD TRANSPORT		7	66	258	217	211	584	28	1,322	1,522	1,322	1,322	1,026	7,885	8,280	8,694
Vote 11 - WATER		1,230	891	989	802	810	917	954	1,064	1,064	1,064	1,064	2,377	13,228	13,890	14,584
Vote 12 - ELECTRICITY		3,729	3,930	3,342	3,188	3,011	3,065	2,863	3,205	3,405	3,205	3,205	6,226	42,372	44,491	46,715
Vote 13 - OTHER													-	-	-	-
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Revenue by Vote		17,761	23,943	7,788	8,442	7,471	19,628	7,666	8,642	20,723	8,642	8,642	32,083	171,431	181,023	194,178
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE & COUNCIL		923	2,054	1,505	1,633	1,606	3,143	2,429	2,891	2,891	2,891	2,891	17,205	42,064	43,393	45,718
Vote 2 - FINANCE & ADMIN		1,369	1,708	1,712	2,214	2,317	2,741	2,835	2,554	2,554	2,554	2,554	56,347	81,461	85,534	89,810
Vote 3 - PLANNING & DEVELOPMENT		593	739	633	754	690	836	696	1,069	1,069	1,069	1,069	3,072	12,289	12,904	13,549
Vote 4 - HEALTH		106	108	106	107	107	107	107	125	125	125	125	9	1,258	1,320	1,386
Vote 5 - COMMUNITY & SOCIAL SERVICES		182	182	182	182	182	182	215	215	215	215	215	19	2,188	2,298	2,413
Vote 6 - PUBLIC SAFETY		76	107	101	97	148	134	108	172	172	172	172	698	2,156	2,264	2,377
Vote 7 - SPORT & RECREATION		234	264	281	252	302	339	296	137	137	137	137	1,411	3,928	4,125	4,331
Vote 8 - WASTE MANAGEMENT		387	689	455	500	456	502	491	884	884	884	884	1,930	8,943	9,391	9,860
Vote 9 - WASTE WATER MANAGEMENT		286	387	424	442	335	424	415	577	577	577	577	1,006	6,027	6,328	6,645
Vote 10 - ROAD TRANSPORT		553	764	529	865	755	827	586	1,060	1,060	1,060	1,060	6,196	15,315	16,081	16,885
Vote 11 - WATER		193	361	488	349	703	563	854	830	830	830	830	1,359	8,190	8,600	9,030
Vote 12 - ELECTRICITY		4,420	5,286	831	5,693	3,000	659	3,021	876	876	876	876	18,556	44,970	47,219	49,580
Vote 13 - OTHER		40	47	52	54	40	48	269	61	61	61	61	496	1,291	1,356	1,423
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Expenditure by Vote		9,363	12,697	7,299	13,142	10,641	10,507	12,321	11,452	11,452	11,452	11,452	108,304	230,081	240,811	253,007
Surplus/(Deficit) before assoc.		8,398	11,246	489	(4,700)	(3,170)	9,121	(4,655)	(2,810)	9,271	(2,810)	(2,810)	(76,221)	(58,650)	(59,788)	(58,828)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	8,398	11,246	489	(4,700)	(3,170)	9,121	(4,655)	(2,810)	9,271	(2,810)	(2,810)	(76,221)	(58,650)	(59,788)	(58,828)

MP314 Emakhazeni - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard																	
Governance and administration			11,429	17,900	1,930	2,892	1,933	13,615	2,524	1,711	13,372	1,711	1,711	19,280	90,005	95,526	104,406
Executive and council			11,397	17,850	1,877	2,839	1,880	13,571	2,481	1,667	13,328	1,667	1,667	18,586	88,810	94,271	103,089
Budget and treasury office			32	50	53	53	53	44	44	44	44	44	44	695	1,195	1,255	1,318
Corporate services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety			102	8	16	100	33	42	54	30	50	30	30	46	538	565	594
Community and social services			5	3	7	5	4	3	3	5	5	5	5	12	64	67	71
Sport and recreation			2	2	9	6	12	20	14	24	24	24	24	13	174	183	192
Public safety			95	3	-	88	17	19	38	-	20	-	-	20	300	315	331
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			33	75	290	236	396	760	35	1,489	1,689	1,489	1,489	1,437	9,416	9,887	10,381
Planning and development			26	9	32	19	185	176	7	167	167	167	167	410	1,531	1,607	1,688
Road transport			7	66	258	217	211	584	28	1,322	1,522	1,322	1,322	1,026	7,885	8,280	8,694
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			6,198	5,960	5,552	5,215	5,110	5,212	5,053	5,413	5,613	5,413	5,413	11,321	71,471	75,045	78,797
Electricity			3,729	3,930	3,342	3,188	3,011	3,065	2,863	3,205	3,405	3,205	3,205	6,226	42,372	44,491	46,715
Water			1,230	891	989	802	810	917	954	1,064	1,064	1,064	1,064	2,377	13,228	13,890	14,584
Waste water management			628	530	619	623	629	625	603	596	596	596	596	1,195	7,837	8,228	8,640
Waste management			611	609	602	603	659	605	633	548	548	548	548	1,522	8,035	8,436	8,858
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard			17,761	23,943	7,788	8,442	7,471	19,628	7,666	8,642	20,723	8,642	8,642	32,083	171,431	181,023	194,178
Expenditure - Standard																	
Governance and administration			3,841	3,841	3,841	3,841	3,841	11,779	11,779	11,779	11,779	11,779	11,779	33,650	123,525	128,927	135,528
Executive and council			3,633	3,633	3,633	3,633	3,633	3,633	3,633	3,633	3,633	3,633	3,633	2,106	42,064	43,393	45,718
Budget and treasury office			7	7	7	7	7	7,137	7,137	7,137	7,137	7,137	7,137	28,513	71,370	74,939	78,686
Corporate services			201	201	201	201	201	1,009	1,009	1,009	1,009	1,009	1,009	3,032	10,090	10,595	11,125
Community and public safety			1,805	1,805	1,805	1,613	1,613	1,613	1,613	2,024	2,024	2,024	2,024	(10,432)	9,531	10,007	10,508
Community and social services			779	779	779	588	588	588	588	588	588	588	588	(4,849)	2,188	2,298	2,413
Sport and recreation			546	546	546	546	546	546	546	765	765	765	765	(2,956)	3,928	4,125	4,331
Public safety			223	223	223	223	223	223	223	312	312	312	312	(650)	2,156	2,264	2,377
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			257	257	257	257	257	257	257	359	359	359	359	(1,976)	1,258	1,320	1,386
Economic and environmental services			605	605	605	605	605	605	605	4,234	4,234	4,234	4,234	6,435	27,604	28,984	30,434
Planning and development			310	310	310	310	310	310	310	2,171	2,171	2,171	2,171	1,433	12,289	12,904	13,549
Road transport			295	295	295	295	295	295	295	2,063	2,063	2,063	2,063	5,002	15,315	16,081	16,885
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			1,822	1,822	1,822	1,822	1,822	1,822	1,822	12,755	12,755	12,755	12,755	4,357	68,131	71,537	75,114
Electricity			1,208	1,208	1,208	1,208	1,208	1,208	1,208	8,456	8,456	8,456	8,456	2,689	44,970	47,219	49,580
Water			221	221	221	221	221	221	221	1,548	1,548	1,548	1,548	450	8,190	8,600	9,030
Waste water management			160	160	160	160	160	160	160	1,120	1,120	1,120	1,120	429	6,027	6,328	6,645
Waste management			233	233	233	233	233	233	233	1,631	1,631	1,631	1,631	789	8,943	9,391	9,860
Other			20	20	20	20	20	20	20	142	142	142	142	581	1,291	1,356	1,423
Total Expenditure - Standard			8,093	8,093	8,093	7,901	7,901	15,839	15,839	30,933	30,933	30,933	30,933	34,591	230,081	240,811	253,007
Surplus/(Deficit) before assoc.			9,668	15,850	(305)	541	(430)	3,789	(8,173)	(22,291)	(10,210)	(22,291)	(22,291)	(2,508)	(58,650)	(59,788)	(58,828)
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		1	9,668	15,850	(305)	541	(430)	3,789	(8,173)	(22,291)	(10,210)	(22,291)	(22,291)	(2,508)	(58,650)	(59,788)	(58,828)

MP314 Emakhazeni - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE & COUNCIL														-	-	-
Vote 2 - FINANCE & ADMIN														-	-	-
Vote 3 - PLANNING & DEVELOPMENT														-	-	-
Vote 4 - HEALTH														-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES														-	-	-
Vote 6 - PUBLIC SAFETY														-	-	-
Vote 7 - SPORT & RECREATION														-	-	-
Vote 8 - WASTE MANAGEMENT														-	-	-
Vote 9 - WASTE WATER MANAGEMENT														-	-	-
Vote 10 - ROAD TRANSPORT														-	-	-
Vote 11 - WATER														-	-	-
Vote 12 - ELECTRICITY														-	-	-
Vote 13 - OTHER														-	-	-
Vote 14 -														-	-	-
Vote 15 -														-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - EXECUTIVE & COUNCIL		1,418	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	967	16,532	17,463	18,445
Vote 2 - FINANCE & ADMIN		5	5	5	5	5	5	5	5	5	5	5	5	61	64	67
Vote 3 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		0	2	2	2	2	2	2	2	2	2	2	4	25	26	28
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		0	6	6	6	6	6	6	6	6	6	6	11	71	75	79
Vote 7 - SPORT & RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		0	1	1	1	1	1	1	1	1	1	1	2	15	16	17
Vote 9 - WASTE WATER MANAGEMENT		1	9	9	9	9	9	9	9	9	9	9	18	112	117	123
Vote 10 - ROAD TRANSPORT		0	2	2	2	2	2	2	2	2	2	2	4	25	26	28
Vote 11 - WATER		1	17	17	17	17	17	17	17	17	17	17	33	204	214	225
Vote 12 - ELECTRICITY		2	22	22	22	22	22	22	22	22	22	22	42	265	279	293
Vote 13 - OTHER		1	7	7	7	7	7	7	7	7	7	7	13	79	83	88
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1,428	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,099	17,389	18,363	19,390
<b>Total Capital Expenditure</b>	2	1,428	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,099	17,389	18,363	19,390

MP314 Emakhazeni - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	979	16,593	17,526	18,512
Executive and council		1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	937	16,532	17,463	18,445
Budget and treasury office													41	41	43	45
Corporate services		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
<i>Community and public safety</i>		8	8	8	8	8	8	8	8	8	8	8	8	96	101	106
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety		6	6	6	6	6	6	6	6	6	6	6	6	71	75	79
Housing													-	-	-	-
Health		2	2	2	2	2	2	2	2	2	2	2	2	25	26	28
<i>Economic and environmental services</i>		2	2	2	2	2	2	2	2	2	2	2	2	25	26	28
Planning and development													-	-	-	-
Road transport		2	2	2	2	2	2	2	2	2	2	2	2	25	26	28
Environmental protection													-	-	-	-
<i>Trading services</i>		50	50	50	50	50	50	50	50	50	50	50	50	596	626	657
Electricity		22	22	22	22	22	22	22	22	22	22	22	22	265	279	293
Water		17	17	17	17	17	17	17	17	17	17	17	17	204	214	225
Waste water management		9	9	9	9	9	9	9	9	9	9	9	9	112	117	123
Waste management		1	1	1	1	1	1	1	1	1	1	1	1	15	16	17
<i>Other</i>		7	7	7	7	7	7	7	7	7	7	7	7	79	83	88
<b>Total Capital Expenditure - Standard</b>	2	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,046	17,389	18,363	19,390



MP314 Emakhazeni - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS													Medium Term Revenue and Expenditure Framework		
Budget Year 2013/14													Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June			
Cash Receipts By Source													1		
Property rates	9,797	1,689	1,877	2,835	1,826	1,951	2,480	1,388	1,388	1,388	1,388	4,930	32,937	34,584	36,313
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	3,729	3,800	3,270	3,127	2,971	3,000	2,816	3,176	3,176	3,176	3,176	6,262	41,677	43,760	45,948
Service charges - water revenue	1,230	890	987	799	810	916	953	758	758	758	758	2,034	11,653	12,236	12,848
Service charges - sanitation revenue	608	607	600	603	659	603	601	550	550	550	550	1,323	7,805	8,195	8,605
Service charges - refuse revenue	627	530	619	623	629	624	627	587	587	587	587	1,380	8,007	8,407	8,827
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	27	36	44	40	49	50	45	62	62	62	62	70	609	639	671
Interest earned - external investments	-	-	-	-	18	181	-	33	33	33	33	51	381	400	420
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	34	34	34	34	34	34	34	34	34	34	34	234	602	632	664
Licences and permits	34	34	34	34	34	34	34	34	34	34	34	33	405	425	446
Agency services	-	-	108	201	178	-	-	131	131	131	131	99	1,109	1,164	1,223
Transfer receipts - operational	1,550	16,161	-	-	166	12,017	-	-	12,081	-	-	-	41,975	44,990	51,235
Other revenue	125	163	214	146	99	219	77	1,891	1,891	1,891	1,891	(655)	7,950	8,348	8,765
Cash Receipts by Source	17,761	23,943	7,788	8,442	7,471	19,628	7,666	8,642	20,723	8,642	8,642	15,762	155,109	163,781	175,965
Other Cash Flows by Source															
Transfer receipts - capital	5,441	-	-	-	6,912	-	-	-	3,969	-	-	-	16,322	17,242	18,213
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	23,202	23,943	7,788	8,442	14,383	19,628	7,666	8,642	24,693	8,642	8,642	15,762	171,431	181,023	194,178
Cash Payments by Type															
Employee related costs	4,412	4,833	4,471	4,581	4,661	4,707	4,949	632	632	632	632	33,763	68,907	72,352	75,970
Remuneration of councillors	354	354	354	354	354	471	374	373	373	373	373	796	4,904	5,149	5,406
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	4,239	4,771	58	5,319	2,110	44	2,086	3,271	3,271	3,271	3,271	6,266	37,975	39,874	41,867
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	34	607	669	378	332	533	853	1,002	1,002	1,002	1,002	1,671	9,084	9,538	10,015
Contracted services	81	388	403	1,088	375	730	1,547	197	197	197	197	244	5,643	5,925	6,221
Transfers and grants - other municipalities	33	550	450	312	512	1,805	1,037	2,982	2,982	2,982	2,982	3,135	19,762	19,976	21,130
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	211	1,194	894	1,109	2,298	2,217	1,474	2,996	2,996	2,996	2,996	62,426	83,807	87,998	92,398
Cash Payments by Type	9,363	12,697	7,299	13,142	10,641	10,507	12,321	11,452	11,452	11,452	11,452	108,301	230,081	240,811	253,007
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	9,363	12,697	7,299	13,142	10,641	10,507	12,321	11,452	11,452	11,452	11,452	108,301	230,081	240,811	253,007
NET INCREASE/(DECREASE) IN CASH HELD	13,838	11,246	488	(4,700)	3,742	9,121	(4,655)	(2,810)	13,240	(2,810)	(2,810)	(92,539)	(58,650)	(59,788)	(58,828)
Cash/cash equivalents at the month/year begin:	13,838	25,084	25,084	25,572	20,872	24,614	33,734	29,080	26,269	39,510	36,699	33,889	-	(58,650)	(118,438)
Cash/cash equivalents at the month/year end:	13,838	25,084	25,572	20,872	24,614	33,734	29,080	26,269	39,510	36,699	33,889	(58,650)	(58,650)	(118,438)	(177,267)

**2.10 Annual budgets and SDBIPs – internal departments**

Annual budget is attached as Annexure **D**. Explanatory notes on internal votes will be included in final approval of the budget.  
SDBIPs still to be finalised.

**2.11 Contracts having future budgetary implications**

The municipality does not have any contracts that may exceed the a period over a year.

**2.12 Capital expenditure details**

The following table represents the proposed capital projects for the MTREF 2013/14– 2015/2016  
The capital projects are funded through internal surplus and external sources which is MIG.

MP314 Emakhazeni - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			27,913	31,007	32,418	33,899	35,454	–	35,593	37,373	39,242
Infrastructure - Road transport			5,440	6,100	6,405	6,725	7,062	–	7,062	7,415	7,785
Roads, Pavements & Bridges			5,440	6,100	6,405	6,725	7,062		7,062	7,415	7,785
Storm water											
Infrastructure - Electricity			233	300	315	331	347	–	347	365	383
Generation											
Transmission & Reticulation			233	300	315	331	347		347	365	383
Street Lighting											
Infrastructure - Water			8,496	9,491	9,966	10,464	10,987	–	10,987	11,536	12,113
Dams & Reservoirs											
Water purification			3,504	4,000	4,200	4,410	4,631		4,631	4,862	5,105
Reticulation			4,992	5,491	5,766	6,054	6,357		6,357	6,674	7,008
Infrastructure - Sanitation			9,426	10,367	10,885	11,430	12,001	–	12,001	12,601	13,231
Reticulation			8,158	8,973	9,422	9,893	10,387		10,387	10,907	11,452
Sewerage purification			1,268	1,394	1,464	1,537	1,614		1,614	1,694	1,779
Infrastructure - Other			4,318	4,749	4,847	4,949	5,057	–	5,197	5,456	5,729
Waste Management			1,775	1,952	2,050	2,152	2,260		2,260	2,373	2,491
Transportation											
Gas											
Other			2,543	2,797	2,797	2,797	2,797		2,937	3,084	3,238
Community			4,896	5,385	5,540	5,703	5,703	–	5,988	6,288	6,602
Parks & gardens			2,052	2,257	2,257	2,257	2,257		2,370	2,488	2,613
Sportsfields & stadia											
Swimming pools			7	8	8	8	8		8	9	9
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses			17	18	18	18	18		19	20	21
Clinics											
Museums & Art Galleries			2,820	3,102	3,257	3,420	3,420		3,591	3,771	3,959
Cemeteries			–	–	–	–	–	–	–	–	–
Social rental housing											
Other											
Heritage assets			–	–	–	–	–	–	–	–	–
Buildings											
Other											
Investment properties			–	–	–	–	–	–	–	–	–
Housing development											
Other											
Other assets			10,228	11,249	11,811	12,402	13,022	–	13,479	14,153	4,283
General vehicles			7,176	7,893	8,288	8,702	9,137		9,594	10,074	
Specialised vehicles			–	–	–	–	–	–	–	–	–
Plant & equipment			–	–	–	–	–	–	–	–	–
Computers - hardware/equipment			665	731	768	806	846		846	889	933
Furniture and other office equipment			837	920	966	1,014	1,065		1,065	1,118	1,174
Abattoirs			–	–	–	–	–		–	–	–
Markets			–	–	–	–	–		–	–	–
Civic Land and Buildings			–	–	–	–	–		–	–	–
Other Buildings			481	529	555	583	612		612	643	675
Other Land			–	–	–	–	–		–	–	–
Surplus Assets - (Investment or Inventory)			–	–	–	–	–		–	–	–
Other			1,069	1,176	1,235	1,297	1,361		1,361	1,429	1,501
Agricultural assets			–	–	–	–	–	–	–	–	–
List sub-class											
Biological assets			–	–	–	–	–	–	–	–	–
List sub-class											
Intangibles			1,686	1,726	–	20,710	20,710	–	–	–	–
Computers - software & programming											
Other (list sub-class)			1,686	1,726	–	20,710	20,710				
Total Capital Expenditure on new assets	1		44,723	49,367	49,769	72,713	74,888	–	55,061	57,814	50,127
Specialised vehicles			–	–	–	–	–	–	–	–	–
Refuse											
Fire											
Conservancy											
Ambulances											

MP314 Emakhazeni - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			3,922	4,678	6,291	6,543	6,543	–	6,282	6,596	6,925
Infrastructure - Road transport			853	818	662	662	662	–	859	902	947
Roads, Pavements & Bridges			723	697	476	653	653		750	788	827
Storm water			130	121	186	9	9		109	114	120
Infrastructure - Electricity			2,360	2,507	3,666	4,217	4,217	–	3,768	3,956	4,154
Generation			2,275	2,381	3,166	3,709	3,709		3,438	3,610	3,790
Transmission & Reticulation			84	126	499	508	508		330	347	364
Street Lighting											
Infrastructure - Water			58	124	264	264	264	–	177	186	195
Dams & Reservoirs			–	–	–	–	–		–	–	–
Water purification			1	103	220	220	220		168	176	185
Reticulation			57	21	44	44	44		9	10	10
Infrastructure - Sanitation			651	1,230	1,699	1,399	1,399	–	1,478	1,552	1,629
Reticulation			651	1,230	1,699	1,399	1,399		1,478	1,552	1,629
Sewerage purification			–	–	–	–	–	–	–	–	–
Infrastructure - Other			–	–	–	–	–	–	–	–	–
Waste Management											
Transportation	2										
Gas											
Other	3										
Community			132	26	196	196	196	–	150	158	165
Parks & gardens			–	–	–	–	–		–	–	–
Sportsfields & stadia			–	–	–	–	–		–	–	–
Swimming pools			–	–	10	10	10		–	–	–
Community halls			–	–	–	–	–		–	–	–
Libraries			–	–	–	–	–		–	–	–
Recreational facilities			–	–	–	–	–		–	–	–
Fire, safety & emergency			30	26	42	42	42		40	42	44
Security and policing			–	–	–	–	–		–	–	–
Buses	7		–	–	–	–	–		–	–	–
Clinics			–	–	–	–	–		–	–	–
Museums & Art Galleries			–	–	–	–	–		–	–	–
Cemeteries			85	–	144	144	144		110	116	121
Social rental housing	8		1	–	–	–	0		–	–	–
Other			18	–	–	–	–		–	–	–
Heritage assets			–	–	–	–	–	–	–	–	–
Buildings											
Other	9										
Investment properties			–	–	–	–	–	–	–	–	–
Housing development											
Other											
Other assets			2,183	1,935	2,730	2,800	2,800	–	2,524	2,651	2,783
General vehicles			1,017	1,127	1,051	1,131	1,131		1,023	1,074	1,128
Specialised vehicles			–	–	–	–	–	–	–	–	–
Plant & equipment			707	593	1,159	1,199	1,199		1,102	1,158	1,215
Computers - hardware/equipment			209	113	127	127	127		134	140	147
Furniture and other office equipment			20	0	30	30	30		41	44	46
Abattoirs			–	–	–	–	–		–	–	–
Markets			–	–	–	–	–		–	–	–
Civic Land and Buildings			–	–	–	–	–		–	–	–
Other Buildings			–	–	–	–	–		–	–	–
Other Land			–	–	–	–	–		–	–	–
Surplus Assets - (Investment or Inventory)			–	–	–	–	–		–	–	–
Other			230	102	362	312	312		224	235	247
Agricultural assets			–	–	–	–	–	–	–	–	–
List sub-class											
Biological assets			–	–	–	–	–	–	–	–	–
List sub-class											
Intangibles			–	–	–	–	–	–	–	–	–
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing	1		6,238	6,639	9,217	9,539	9,539	–	8,956	9,404	9,873
Specialised vehicles			–	–	–	–	–	–	–	–	–
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex			12.2%	11.9%	15.6%	11.6%	11.3%	0.0%	14.0%	14.0%	16.5%
Renewal of Existing Assets as % of deprecn			246.6%	14.3%	19.2%	327.2%	19.5%	0.0%	17.9%	17.9%	17.9%

MP314 Emakhazeni - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
<b>Capital expenditure</b>	1							
Vote 1 - EXECUTIVE & COUNCIL		16,532	17,463	18,445				
Vote 2 - FINANCE & ADMIN		61	64	67				
Vote 3 - PLANNING & DEVELOPMENT		—	—	—				
Vote 4 - HEALTH		25	26	28				
Vote 5 - COMMUNITY & SOCIAL SERVICES		—	—	—				
Vote 6 - PUBLIC SAFETY		71	75	79				
Vote 7 - SPORT & RECREATION		—	—	—				
Vote 8 - WASTE MANAGEMENT		15	16	17				
Vote 9 - WASTE WATER MANAGEMENT		112	117	123				
Vote 10 - ROAD TRANSPORT		25	26	28				
Vote 11 - WATER		204	214	225				
Vote 12 - ELECTRICITY		265	279	293				
Vote 13 - OTHER		79	83	88				
Vote 14 -		—	—	—				
Vote 15 -		—	—	—				
List entity summary if applicable								
<b>Total Capital Expenditure</b>		<b>17,389</b>	<b>18,363</b>	<b>19,390</b>	—	—	—	—
<b>Future operational costs by vote</b>	2							
Vote 1 - EXECUTIVE & COUNCIL								
Vote 2 - FINANCE & ADMIN								
Vote 3 - PLANNING & DEVELOPMENT								
Vote 4 - HEALTH								
Vote 5 - COMMUNITY & SOCIAL SERVICES								
Vote 6 - PUBLIC SAFETY								
Vote 7 - SPORT & RECREATION								
Vote 8 - WASTE MANAGEMENT								
Vote 9 - WASTE WATER MANAGEMENT								
Vote 10 - ROAD TRANSPORT								
Vote 11 - WATER								
Vote 12 - ELECTRICITY								
Vote 13 - OTHER								
Vote 14 -								
Vote 15 -								
List entity summary if applicable								
<b>Total future operational costs</b>		—	—	—	—	—	—	—
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
<b>Total future revenue</b>		—	—	—	—	—	—	—
<b>Net Financial Implications</b>		<b>17,389</b>	<b>18,363</b>	<b>19,390</b>	—	—	—	—

MP314 Emakhazeni - Supporting Table SA36 Consolidated detailed capital budget															
Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub- Class	GPS co- ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
R thousand				6	3	3	5		Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality:															
List all capital projects grouped by Municipal Vote															
019-305004	MIG			Yes							16,322	17,242	18,213	All Wards	
006-305010	INTER CAP: FURNITURE & EQUIP			Yes	Other	Fire services	Fire services	0			5	5	6	emakhazeni new	
006-305517	FIRE HOSES AND BRANCHES			Yes	Other		Fire services	0			31	32	34	emakhazeni new	
006-	FURNISHING FIRE HOUSE			Yes	Other		Fire services	0			20	21	22	emakhazeni new	
006-	FIRE NOZZLES			Yes	Other		Fire services	0			16	17	17	emakhazeni new	
009-305020	INTERN CAP: MACHINERY & EQUIP			Yes			Health	0			25	26	28	emakhazeni new	
019-305010	INTERN CAP: FURNITURE & EQUIP			Yes			Council & General Services	0			10	11	11	emakhazeni new	
020-305023	STREET BINS			Yes			Cleaning	0			15	16	17	emakhazeni new	
021-305020	INTERN CAP: MACHINERY & EQUIP			Yes			Sewerage Services	0			12	12	13	emakhazeni new	
022-235114	SEWERAGE PUMPS			Yes			Sewerage Services	0			100	105	110	emakhazeni new	
023-305010	INTERN CAP: FURNITURE & EQUIP			Yes			Corporate Services	0			20	21	22	emakhazeni new	
024-305012	INTERN CAP: COMPUTER EQUIPMENT			Yes			Municipal management	0			200	210	221	emakhazeni new	
026-305010	INTERN CAP: FURNITURE & EQUIP			Yes			Stores	0			41	43	45	emakhazeni new	
030-305010	INTERN CAP : FURNITURE & EQUIP			Yes			Traffic	0			25	26	28	emakhazeni new	
035-305020	INTERN CAP: MACHINERY & EQUIP			Yes			Workshop	0			79	83	88	emakhazeni new	
040-305020	INTERN CAP: MACHINERY & EQUIP			Yes			Electricity	0			265	279	293	emakhazeni new	
045-305020	INTERN CAP: MACHINERY & EQUIP			Yes			Water	0			204	214	225	emakhazeni new	
Parent Capital expenditure											17,389	18,363	19,390		

## MP314 Emakhazeni - Supporting Table SA32 List of external mechanisms

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2
		Number			R thousand
Telkom (11/11/2009)(Ext) MPUMALANGA COPIERS1 (16/11/2010)	Yrs Yrs	3 3	diginet rental of photocopy machine	10/11/2014 30/11/2013	21500m 30,460

## MP314 Emakhazeni - Supporting Table SA37 Consolidated projects delayed from previous financial years

Municipal Vote/Capital project  R thousand	Ref.  1,2	Project name	Project number	Asset Class  3	Asset Sub-Class  3	GPS co-ordinates  4	Previous target year to complete  Year	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				Examples	Examples							
19306004		Completion of main bus route in Siyathuthuku	8/1/04/42	Infrastructure - Road transport	Roads, Pavements & Bridges	E: 29, 59, 21. S: 26, 40, 53	2011	389	389	-	-	-

**2.13 Legislation compliance status**

The Municipality operations are governed by an array of different acts.

The following Acts and prescripts are central in defining municipal boundaries and areas of influence:

- ◆ Regional Services Council Act, 1985 (Act 109 of 1985)
- ◆ Local Government: Municipal Structures Act, Act 117 of 1998 with all its amendments to date.
- ◆ Local Government : Municipal Systems Act, Act 32 of 2000 with all its amendments to date in its entirety together with regulations promulgated and applicable to high capacity municipalities.
- ◆ Local Government: Municipal Finance Management Act, Act 56 of 2004 in its entirety including regulations promulgated.
- ◆ Compliance is also given to circulars by National Treasury in line with the Municipal Systems Act and the Municipal Finance Management Act
- ◆ Local Government : Property Rates Act, Act 6 of 2004 and its promulgated regulations
- ◆ The Municipality is participating in the Municipal Financial management Internship programme; in the financial year 2011/2012 the municipality employed three interns of which one resigned in February 2011 to peruse an opportunity with the Auditor General. Since the inception of this programme the municipality has employed a total of four whom they have appointed as Deputy Manager Budget & Reporting, Deputy Manager Supply Chain Management, Senior Accountant Income and Senior Accountant Supply Chain Management. Of the four only one intern later resigned to peruse a career with a National Department.

Thus not only is Emakhazeni Municipality responsive to national government legislation, it has to comply with all the local government regulations and acts.

**2.14 Other Supporting Document.**

Other supporting documents entail supporting budget tables on SA1 to SA37,



MP314 Emakhazeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		11,428	16,162	20,439	25,994	30,494			33,849	35,541	37,318
less Revenue Foregone		422		756	2,474	1,100			912	958	1,005
Net Property Rates		11,006	16,162	19,682	23,520	29,394	-	-	32,937	34,584	36,313
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		24,770	28,446	30,553	37,989	38,589			41,677	43,760	45,948
less Revenue Foregone		3,178			2,583						
Net Service charges - electricity revenue		21,592	28,446	30,553	35,406	38,589	-	-	41,677	43,760	45,948
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		6,752	8,363	11,200	11,077	11,877			13,183	13,842	14,535
less Revenue Foregone		302		1,393	332	1,500			1,530	1,607	1,687
Net Service charges - water revenue		6,451	8,363	9,806	10,745	10,377	-	-	11,653	12,236	12,848
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		4,257	5,322	6,783	6,013	7,213			7,805	8,195	8,605
less Revenue Foregone											
Net Service charges - sanitation revenue		4,257	5,322	6,783	6,013	7,213	-	-	7,805	8,195	8,605
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		4,828	5,585	6,495	7,031	7,031			8,007	8,407	8,827
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		4,828	5,585	6,495	7,031	7,031	-	-	8,007	8,407	8,827
<u>Other Revenue by source</u>											
OPEN BLOCKED SEWERAGES		13	17	18	29	29			32	33	35
REFUND : TRAINING		-	-	68	76	76			80	84	88
MOTOR VEHICLE FEES DIRECT		994	934	1,006	892	942			780	819	860
T M T PROJECT INCOME		3,235	3,258	4,697	5,000	5,000			5,000	5,250	5,513
TENDER FORMS		54	55	34	49	50			53	56	58
CONTRIBUTION TO BULK SERVICE		4	352	-	323	323			350	367	386
CONNECTION FEE NON PAYMENT		47	22	135	50	50			54	57	60
BUILDING PLAN FEES		44	47	61	50	50			56	58	61
AUCTION		-	-	-	207	207			218	229	240
LAND AVAILABILITY OR DISPOSAL		-	2,193								
SALE OF DWELLINGS		85	259	-	170	170			400	420	441
OTHER REVENUE	3	469	1,925	4,743	10,553	3,598			929	975	1,024
Total 'Other' Revenue	1	4,946	9,062	10,763	17,399	10,496	-	-	7,950	8,348	8,765

EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages	2	20,189	31,041	29,907	37,334	36,940			41,353	43,421	45,592	
Pension and UIF Contributions		4,437	6,306	6,468	8,565	8,468			9,674	10,158	10,666	
Medical Aid Contributions		1,304	1,672	1,840	2,604	3,076			3,352	3,519	3,695	
Overtime		2,818	3,351	2,657	2,982	3,204			3,232	3,393	3,563	
Performance Bonus		1,659	2,291	2,263	3,362	2,927			3,413	3,584	3,763	
Motor Vehicle Allowance		2,276	3,498	4,064	5,324	5,401			5,669	5,952	6,250	
Cellphone Allowance		–	–	–	128	137			161	169	177	
Housing Allowances		68	66	57	71	71			71	74	78	
Other benefits and allowances		991	3,452	2,286	1,698	1,735			1,982	2,081	2,185	
Payments in lieu of leave			1,590	560								
Long service awards		–	–									
Post-retirement benefit obligations	4	–	–									
sub-total	5	33,742	53,267	50,101	62,068	61,959	–	–	68,907	72,352	75,970	
Less: Employees costs capitalised to PPE												
Total Employee related costs		1	33,742	53,267	50,101	62,068	61,959	–	–	68,907	72,352	75,970
Contributions recognised - capital												
List contributions by contract												
Total Contributions recognised - capital			–	–	–	–	–	–	–	–	–	
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		2,530	46,412	48,037	2,915	49,000			49,980	52,479	55,103	
Lease amortisation												
Capital asset impairment												
Depreciation resulting from revaluation of PPE	10											
Total Depreciation & asset impairment	1	2,530	46,412	48,037	2,915	49,000	–	–	49,980	52,479	55,103	
Bulk purchases												
Electricity Bulk Purchases		17,975	23,116	29,844	35,162	35,162			37,975	39,874	41,867	
Water Bulk Purchases												
Total bulk purchases	1	17,975	23,116	29,844	35,162	35,162	–	–	37,975	39,874	41,867	
Transfers and grants												
Cash transfers and grants		1,877	2,040	3,363	19,229	19,609	–	–	19,762	19,976	21,130	
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–	
Total transfers and grants	1	1,877	2,040	3,363	19,229	19,609	–	–	19,762	19,976	21,130	
Contracted services												
CONTRACT: MUNPAK		238	311	511	360	460			469	493	517	
RENTAL AGREEMENTS: COPIERS		395	365	367	420	400			408	428	450	
CONSUMPTION: COPIERS		90	170	156	200	200			140	147	154	
CONTRACT: PRUNE/PLANT TREES		24	8	–	56	56			56	59	62	
SECURITY		2,081	2,567	2,150	2,663	2,663			2,717	2,853	2,995	
LEGAL FEES		202	259	3,365	1,816	1,816			1,853	1,945	2,042	
sub-total	1	3,029	3,679	6,549	5,516	5,596	–	–	5,643	5,925	6,221	
Allocations to organs of state:												
Electricity												
Water												
Sanitation												
Other												
Total contracted services		3,029	3,679	6,549	5,516	5,596	–	–	5,643	5,925	6,221	
Other Expenditure By Type												
Collection costs		–	–									
Contributions to 'other' provisions												
Consultant fees		–	719	352	1,160	1,080			850	893	937	
Audit fees		2,574	1,573	1,868	1,707	2,407			2,455	2,578	2,707	
General expenses	3											
RENTAL OFFICES		250	260	287	375	375			383	402	422	
RENTAL VEHICLES		117	428	208	100	300			250	263	276	
INSURANCE ANNUAL RENEWALS		1,341	1,603	1,577	2,000	800			816	857	900	
BOOKS & ORDINANCES		55	71	106	150	128			161	169	178	
CHEMICALS		1,418	1,762	–	2,200	2,200			2,244	2,356	2,474	
ADVERTISING COSTS		121	56	195	150	150			180	189	198	
PRINTING & STATIONARY		749	790	876	1,200	1,200			1,000	1,050	1,103	
FUEL & OIL		2,338	2,755	2,804	3,356	3,356			3,424	3,595	3,774	
TELEPHONE		907	1,122	1,562	1,100	1,100			1,000	1,050	1,103	
TMT PROJECTS EXPENSES		1,711	1,628	2,987	2,500	2,500			2,500	2,625	2,756	
TRAINING		351	363	263	450	350			400	420	441	
Capital Budget		935	369	–	1,653	2,433			1,067	1,121	1,177	
Total 'Other' Expenditure	1	12,867	13,497	13,085	18,102	18,379	–	–	16,730	17,566	18,445	
Repairs and Maintenance		8										
Employee related costs												
Other materials												
Contracted Services							–	–				
Other Expenditure							–	–				
Total Repairs and Maintenance Expenditure	9	–	–	–	–	–	–	–	–	–	–	

MP314 Emakhazeni - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type &amp; dept.)

Description	Ref	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - FINANCE & ADMIN	Vote 3 - PLANNING & DEVELOPME NT	Vote 4 - HEALTH	Vote 5 - COMMUNITY & SOCIAL SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - SPORT & RECREATI ON	Vote 8 - WASTE MANAGEME NT	Vote 9 - WASTE WATER MANAGEME NT	Vote 10 - ROAD TRANSPORT	Vote 11 - WATER	Vote 12 - ELECTRICIT Y	Vote 13 - OTHER	Vote 14 -	Vote 15 -	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates		32,937															32,937
Property rates - penalties & collection charges																	-
Service charges - electricity revenue													41,677				41,677
Service charges - water revenue												11,653					11,653
Service charges - sanitation revenue										7,805							7,805
Service charges - refuse revenue									8,007								8,007
Service charges - other																	-
Rental of facilities and equipment			474			14		121									609
Interest earned - external investments			381														381
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines						2					600						602
Licences and permits								45			359						405
Agency services											1,109						1,109
Other revenue		106	340	531		48	300	8	28	32	5,817	45	696				7,950
Transfers recognised - operational		57,297		1,000													58,297
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>90,340</b>	<b>1,195</b>	<b>1,531</b>	<b>-</b>	<b>64</b>	<b>300</b>	<b>174</b>	<b>8,035</b>	<b>7,837</b>	<b>7,885</b>	<b>11,698</b>	<b>42,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,431</b>
<b>Expenditure By Type</b>																	
Employee related costs		5,560	17,898	9,448	709	1,973	1,715	3,717	6,400	4,843	9,413	3,240	2,790	1,198			68,907
Remuneration of councillors		4,904															4,904
Debt impairment		8,670															8,670
Depreciation & asset impairment			49,980														49,980
Finance charges																	-
Bulk purchases													37,975				37,975
Other materials		66	525	1,458		143	293	69	1,712		523	529	3,126	57			8,501
Contracted services		2,153	3,473					56		583	2,717	200	350				9,531
Transfers and grants		18,762		1,000													19,762
Other expenditure		3,479	9,586	383	548	73	148	86	831	601	2,662	2,681	729	35			21,852
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		<b>43,584</b>	<b>81,461</b>	<b>12,289</b>	<b>1,258</b>	<b>2,188</b>	<b>2,156</b>	<b>3,928</b>	<b>8,943</b>	<b>6,027</b>	<b>15,315</b>	<b>6,660</b>	<b>44,970</b>	<b>1,291</b>	<b>-</b>	<b>-</b>	<b>230,081</b>
<b>Surplus/(Deficit)</b>		<b>46,746</b>	<b>(80,266)</b>	<b>(10,758)</b>	<b>(1,258)</b>	<b>(2,124)</b>	<b>(1,856)</b>	<b>(3,754)</b>	<b>(909)</b>	<b>1,810</b>	<b>(7,430)</b>	<b>5,038</b>	<b>(2,588)</b>	<b>(1,291)</b>	<b>-</b>	<b>-</b>	<b>(58,650)</b>
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>46,746</b>	<b>(80,266)</b>	<b>(10,758)</b>	<b>(1,258)</b>	<b>(2,124)</b>	<b>(1,856)</b>	<b>(3,754)</b>	<b>(909)</b>	<b>1,810</b>	<b>(7,430)</b>	<b>5,038</b>	<b>(2,588)</b>	<b>(1,291)</b>	<b>-</b>	<b>-</b>	<b>(58,650)</b>

MP314 Emakhazeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>					21	21			2,798	2,938	3,085
Call deposits < 90 days											
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	-	-	-	21	21	-	-	2,798	2,938	3,085
<b>Consumer debtors</b>											
Consumer debtors		61,127	77,706	18,802	90,000	90,000			92,000	94,000	98,700
Less: Provision for debt impairment		-	(59,863)	-	(62,218)	(62,218)			(8,670)	(9,104)	(9,559)
<b>Total Consumer debtors</b>	2	61,127	17,843	18,802	27,782	27,782	-	-	83,330	84,897	89,141
<b>Debt impairment provision</b>											
Balance at the beginning of the year					(59,863)	(59,863)			(62,218)	(64,561)	(62,118)
Contributions to the provision					(2,355)	(2,355)			(2,343)	2,443	(3,106)
Bad debts written off											
<b>Balance at end of year</b>		-	(59,863)	-	(62,218)	(62,218)	-	-	(64,561)	(62,118)	(65,224)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)			555,723	529,975	75,000	75,000			451,360	504,202	528,761
Leases recognised as PPE	3										
Less: Accumulated depreciation					12,250	12,250			49,980	52,479	55,102
<b>Total Property, plant and equipment (PPE)</b>	2	-	555,723	529,975	62,750	62,750	-	-	401,380	451,723	473,659
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		903	981								
Current portion of long-term liabilities											
<b>Total Current liabilities - Borrowing</b>		903	981								
<b>Trade and other payables</b>											
Trade and other creditors		10,959	48,888	65,944	12,530	12,530			8,000	8,000	8,000
Unspent conditional transfers		6,996	6,537	11,448	5,000	5,000			5,000	5,000	5,000
VAT		5,266	6,560	5,199	16,448	16,448			17,271	18,134	19,041
<b>Total Trade and other payables</b>	2	23,220	61,986	82,590	33,978	33,978	-	-	30,271	31,134	32,041
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	1,937	-								
Finance leases (including PPP asset element)		1,074									
<b>Total Non current liabilities - Borrowing</b>		3,011	-								
<b>Provisions - non-current</b>											
Retirement benefits				2,743							
List other major provision items											
Refuse landfill site rehabilitation											
Other											
<b>Total Provisions - non-current</b>		-	-	2,743	-	-	-	-	-	-	-
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		50,230	538,498	486,462	29,177	29,177			486,462	510,785	536,324
GRAP adjustments											
Restated balance		50,230	538,498	486,462	29,177	29,177			486,462	510,785	536,324
Surplus/(Deficit)		(4,333)	(106,608)	(52,036)	(10,660)	(57,500)			(58,650)	(59,788)	(58,828)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
<b>Accumulated Surplus/(Deficit)</b>	1	45,897	431,889	434,426	18,517	(28,323)	-	-	427,812	450,997	477,496
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	45,897	431,889	434,426	18,517	(28,323)	-	-	427,812	450,997	477,496

MP314 Emakhazeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>												
Services charges: Sanitation Revenue	Service Delivery			4,828	5,585	6,495	7,031	7,031		7,805	8,195	8,605
Services charges: Refuse removals revenue	Services delivery			4,257	5,322	6,783	6,013	7,213		8,007	8,407	8,827
Services charges: Electricity Revenue	Services delivery			24,770	28,446	30,553	37,989	38,589		41,677	43,760	45,948
Services charges: Water Revenue	Services delivery			6,752	8,363	11,200	11,077	11,877		13,183	13,842	14,535
Economical Monetary Management	Financial Viability			30,113	37,621	42,865	54,877	55,257		58,297	62,232	69,448
Municipal Transformation and organisation Development	Good Governance			14,248	27,450	31,808	40,733	41,446	-	42,463	44,586	46,815
<b>Allocations to other priorities</b>			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	84,968	112,788	129,704	157,721	161,414	-	171,431	181,023	194,178

## MP314 Emakhazeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Property Rates: Indigent Support	Poverty Alleviation			422		756	2,474	1,100		912	958	1,005
Electricity: Indigent Support	Poverty Alleviation			627		22	690	190		193	203	213
Water: Indigent Support	Poverty Alleviation			302		1,393	332	1,500		1,530	1,607	1,687
Provide Health & Environmental Services	Service Delivery			10,053	5,483	6,252	9,543	9,056		9,172	8,580	9,009
Electricity Infrastructure Development & Service Delivery	Service Delivery			12,667	17,975	23,116	25,980	30,980		35,162	36,920	38,766
Community & Social Service Provision				7,506	9,019	10,762	13,732	13,437		12,777	13,416	14,087
Sustainable & Economical Monetary Management	Financial Viability			1,662	1,535	2,040	2,300	2,300		2,440	2,734	2,917
Municipal Transformation & Organisational Development	Good Co-Operative Governance			26,759	31,022	104,741	68,474	74,735	-	67,451	71,984	77,109
Good Governance & Public Participation	Service Delivery Based			29,301	154,362	32,657	44,856	85,617	-	100,444	104,410	108,213
Allocations to other priorities												
<b>Total Expenditure</b>			1	<b>89,301</b>	<b>219,397</b>	<b>181,740</b>	<b>168,381</b>	<b>218,914</b>	<b>-</b>	<b>230,081</b>	<b>240,811</b>	<b>253,007</b>

MP314 Emakhazeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.6%	0.1%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.0%	0.2%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.7	0.3	0.3	0.9	0.9	–	–	2.8	2.8	2.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	0.3	0.3	0.9	0.9	–	–	2.8	2.8	2.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	–	–	0.1	0.1	0.1
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	82.5%	19.2%	17.3%	21.3%	20.8%	0.0%	0.0%	55.4%	53.5%	52.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-252.9%	-44.1%	-40.5%	-117.5%	-21.8%	0.0%	0.0%	-13.6%	-6.8%	-4.5%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	42.7%	50.7%	41.3%	43.8%	42.6%	0.0%	0.0%	44.4%	44.2%	43.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.8%	48.4%	44.9%	46.8%	45.7%	0.0%		47.6%	47.3%	46.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.9%	44.3%	39.7%	2.5%	33.7%	0.0%	0.0%	32.2%	32.0%	31.3%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	2,421.7	719.7	2,421.1	283.4	283.4	283.4	–	282.8	282.8	296.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	133.7%	31.3%	28.3%	36.2%	32.4%	0.0%	0.0%	83.6%	81.2%	81.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.7)	(8.5)	(17.0)	(0.9)	(4.6)	–	–	(4.4)	(8.5)	(12.1)

MP314 Emakhazeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome	
<b>Demographics</b>													
Population			37	43	52	52	55	57	47	49	52	55	
Females aged 5 - 14				5	6	6	6	6	6	6	6	7	
Males aged 5 - 14				4	4	4	5	5	5	5	5	6	
Females aged 15 - 34				8	8	8	8	9	16	17	17	18	
Males aged 15 - 34				8	8	8	8	9	16	17	18	18	
Unemployment				5	5	5	5	5	5	5	5	5	
<b>Monthly household income (no. of households)</b>													
No income	1, 12								18,390	18,390	18,390	18,390	
R1 - R1 600			243	243	243	255	268	281	13,154	13,154	13,154	13,154	
R1 601 - R3 200			788	788	788	788	788	796	3,666	3,666	3,666	3,666	
R3 201 - R6 400			282	282	282	282	282	285	2,225	2,225	2,225	2,225	
R6 401 - R12 800									1,772	1,772	1,772	1,772	
R12 801 - R25 600									852	852	852	852	
R25 601 - R51 200									331	331	331	331	
R52 201 - R102 400									75	75	75	75	
R102 401 - R204 800									45	45	45	45	
R204 801 - R409 600									20	20	20	20	
R409 601 - R819 200									-	-	-	-	
> R819 200									-	-	-	-	
<b>Poverty profiles (no. of households)</b>													
< R2 060 per household per month	13												
Insert description	2												
<b>Household/demographics (000)</b>													
Number of people in municipal area			43,007	52,000	52	55	57	60	60	60	60	60	
Number of poor people in municipal area								1	1	1	1	1	
Number of households in municipal area			9,724	12,127	12	12	13	13	13	13	13	13	
Number of poor households in municipal area													
Definition of poor household (R per month)			500	500	500	801	841	883	883	883	883	883	
<b>Housing statistics</b>													
Formal	3												
Informal													
Total number of households			-	-	-	-	-	-	-	-	-	-	
Dwellings provided by municipality	4												
Dwellings provided by provincels													
Dwellings provided by private sector	5												
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-	
<b>Economic</b>													
Inflation/inflation outlook (CPIX)	6												
Interest rate - borrowing													
Interest rate - investment													
Remuneration increases													
Consumption growth (electricity)													
Consumption growth (water)													
<b>Collection rates</b>													
Property tax/service charges	7					8,882	11,006	16,162	12,134	12,134	12,134	12,134	
Rental of facilities & equipment													
Interest - external investments						578	620	471	733	733	733	733	
Interest - debtors						196	133	23	41	41	41	41	
Revenue from agency services													

MP314 Emakhazeni Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(4,333)	(110,941)	(162,978)	(10,660)	(57,500)	–	–	(58,650)	(118,438)	(177,267)
Cash + investments at the yr end less applications - R'000	18(1)b	2	35,920	(37,334)	(53,403)	12,758	12,758	–	–	75,735	77,574	82,102
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.7)	(8.5)	(17.0)	(0.9)	(4.6)	–	–	(4.4)	(8.5)	(12.1)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(4,333)	(106,608)	(52,036)	(10,660)	(57,500)	–	–	(58,650)	(59,788)	(58,828)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	26.7%	8.8%	6.8%	6.0%	(106.0%)	(6.0%)	4.2%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	93.1%	10.9%	2.8%	9.1%	0.0%	0.0%	8.4%	8.4%	8.4%
Capital payments % of capital expenditure	18(1)c,(19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't legislated/gazetted allocations	18(1)a	10								357.2%	360.9%	381.3%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(69.1%)	4.1%	44.0%	0.0%	(100.0%)	0.0%	184.4%	2.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	88.6%	81.5%	73.3%	54.3%	57.1%	0.0%	0.0%	51.5%	51.2%	50.9%



<b>Supporting indicators</b>											
% incr total service charges (incl prop rates)	18(1)a		32.7%	14.8%	12.8%	12.0%	(100.0%)	0.0%	10.2%	5.0%	5.0%
% incr Property Tax	18(1)a		46.8%	21.8%	19.5%	25.0%	(100.0%)	0.0%	12.1%	5.0%	5.0%
% incr Service charges - electricity revenue	18(1)a		31.7%	7.4%	15.9%	9.0%	(100.0%)	0.0%	8.0%	5.0%	5.0%
% incr Service charges - water revenue	18(1)a		29.7%	17.3%	9.6%	(3.4%)	(100.0%)	0.0%	12.3%	5.0%	5.0%
% incr Service charges - sanitation revenue	18(1)a		25.0%	27.5%	(11.4%)	20.0%	(100.0%)	0.0%	8.2%	5.0%	5.0%
% incr Service charges - refuse revenue	18(1)a		15.7%	16.3%	8.3%	0.0%	(100.0%)	0.0%	13.9%	5.0%	5.0%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		48,753	64,350	74,090	83,377	93,206	—	102,687	107,821	113,213
Service charges			48,133	63,879	73,320	82,716	92,605	—	102,078	107,182	112,541
Property rates			11,006	16,162	19,682	23,520	29,394	—	32,937	34,584	36,313
Service charges - electricity revenue			21,592	28,446	30,553	35,406	38,589	—	41,677	43,760	45,948
Service charges - water revenue			6,451	8,363	9,806	10,745	10,377	—	11,653	12,236	12,848
Service charges - sanitation revenue			4,257	5,322	6,783	6,013	7,213	—	7,805	8,195	8,605
Service charges - refuse removal			4,828	5,585	6,495	7,031	7,031	—	8,007	8,407	8,827
Service charges - other			—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			620	471	770	661	601	—	609	639	671
Capital expenditure excluding capital grant funding			1,150	388	4,052	1,653	789	—	1,067	1,121	1,177
Cash receipts from ratepayers	18(1)a		54,804	75,160	86,734	102,808	105,794	—	112,753	118,391	124,310
Ratepayer & Other revenue	18(1)a		54,804	75,160	86,734	102,808	105,794	—	112,753	118,391	124,310
Change in consumer debtors (current and non-current)			(33,788)	(45,068)	825	9,229	9,229	(20,963)	(20,963)	55,668	1,694
Operating and Capital Grant Revenue	18(1)a		30,031	37,606	42,865	54,877	55,257	—	58,297	62,232	69,448
Capital expenditure - total	20(1)(vi)		7,044	8,149	12,567	17,582	16,718	—	17,389	18,363	19,390
Capital expenditure - renewal	20(1)(vi)		6,238	6,639	9,217	9,539	9,539	—	8,956	9,404	9,873
<b>Supporting benchmarks</b>											
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY											
DoRA capital grants total MFY									16,322	17,242	18,213
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									16,322	17,242	18,213
Average annual collection rate (arrears inclusive)											
<b>DoRA operating</b>											
Local Government Equitable Share									38,535	42,256	48,318
EPWP Incentive									1,000		
Finance Management									1,550	1,800	1,950
Municipal Systems Improvement									890	934	967
									41,975	44,990	51,235
<b>DoRA capital</b>											
MIG									16,322	17,242	18,213
									16,322	17,242	18,213
<b>Trend</b>											
Change in consumer debtors (current and non-current)			(33,788)	(45,068)	825	(20,963)	55,668	1,694	4,378	—	—
<b>Total Operating Revenue</b>											
Total Operating Revenue			79,073	105,027	121,189	141,792	145,485	—	155,109	163,781	175,965
Total Operating Expenditure			89,301	219,397	181,740	168,381	218,914	—	230,081	240,811	253,007
Operating Performance Surplus/(Deficit)			(10,227)	(114,370)	(60,551)	(26,589)	(73,429)	—	(74,972)	(77,030)	(77,041)
<b>Cash and Cash Equivalents (30 June 2012)</b>											
<b>Revenue</b>											
% Increase in Total Operating Revenue			32.8%	15.4%	17.0%	2.6%	(100.0%)	0.0%	6.6%	5.6%	7.4%
% Increase in Property Rates Revenue			46.8%	21.8%	19.5%	25.0%	(100.0%)	0.0%	12.1%	5.0%	5.0%
% Increase in Electricity Revenue			31.7%	7.4%	15.9%	9.0%	(100.0%)	0.0%	8.0%	5.0%	5.0%
% Increase in Property Rates & Services Charges			32.7%	14.8%	12.8%	12.0%	(100.0%)	0.0%	10.2%	5.0%	5.0%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure			145.7%	(17.2%)	(7.4%)	30.0%	(100.0%)	0.0%	5.1%	4.7%	5.1%
% Increase in Employee Costs			57.9%	(5.9%)	23.9%	(0.2%)	(100.0%)	0.0%	11.2%	5.0%	5.0%
% Increase in Electricity Bulk Purchases			28.6%	29.1%	17.8%	0.0%	(100.0%)	0.0%	8.0%	5.0%	5.0%
Average Cost Per Budgeted Employee Position (Remuneration)				134681.0109	1193608.001				1300124.441		
Average Cost Per Councillor (Remuneration)				283764.8407	288112.0667				326913.066		
R&M % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE			24.0%	24.0%	33.0%	0.0%	0.0%	0.0%	32.0%	85.1%	85.1%
Debt Impairment % of Total Billable Revenue			0.0%	93.1%	10.9%	2.8%	9.1%	0.0%	8.4%	8.4%	8.4%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)			1,150	388	4,052	1,652	789	—	1,067	1,121	1,177
Borrowing (R'000)			—	—	—	—	—	—	—	—	—
Grant Funding and Other (R'000)			5,894	7,762	8,515	15,929	15,929	—	16,322	17,242	18,213
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			83.7%	95.2%	67.8%	90.6%	95.3%	0.0%	93.9%	93.9%	93.9%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)			7,044	8,149	12,567	17,582	16,718	—	17,389	18,363	19,390
Asset Renewal			6,238	6,639	9,217	9,539	9,539	—	8,956	9,404	9,873
Asset Renewal % of Total Capital Expenditure			88.6%	81.5%	73.3%	54.3%	57.1%	0.0%	51.5%	51.2%	50.9%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other			100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Cash Coverage Ratio			(0)	(0)	(0)	(0)	(0)	—	(0)	(0)	(0)
<b>Borrowing</b>											
Credit Rating (2009/10)									0		
Capital Charges to Operating			0.6%	0.1%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>											
Surplus/(Deficit)			35,920	(37,334)	(53,403)	12,758	12,758	—	75,735	77,574	82,102
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	—	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			8.3%	14.1%	9.9%	7.4%	8.2%	0.0%	7.7%	7.4%	7.1%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue			79,073	105,027	121,189	141,792	145,485	—	155,109	163,781	175,965
Total Operating Expenditure			89,301	219,397	181,740	168,381	218,914	—	230,081	240,811	253,007
Surplus/(Deficit) Budgeted Operating Statement			(10,227)	(114,370)	(60,551)	(26,589)	(73,429)	—	(74,972)	(77,030)	(77,041)
Surplus/(Deficit) Considering Reserves and Cash Backing			25,692	(151,704)	(113,955)	(13,831)	(60,671)	—	763	543	5,060
MTREF Funded (1) / Unfunded (0)	15		1	0	0	0	0	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✓	✗	✗	✗	✗	✓	✓	✓	✓

MP314 Emakhazeni - Supporting Table SA11 Property rates summary

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Valuation:</b>	1	2/07/2008								
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2	YES	YES	YES						
Municipal/assistant valuer appointed? (Y/N)		NO	NO	NO						
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3	5								
No. of internal valuers (FTE)	3	-								
No. of external valuers (FTE)	3	1								
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		YES								
Implementation time of new valuation roll (mths)										
No. of properties	5	13,996	13,996	13,996	13,996			13,996	13,996	13,996
No. of sectional title values	5			4	4			4	4	4
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations			1	1	1			1	1	1
No. of valuation roll amendments										
No. of objections by rate payers		396								
No. of appeals by rate payers										
No. of successful objections	8	69								
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5	YES	YES	YES	YES					
Limit on annual rate increase (s20)? (Y/N)		YES	YES	YES	YES					
Special rating area used? (Y/N)		NO	NO	NO	NO					
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)		YES	YES	YES	YES					
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		-	-	-	-	-	-	-	-	-

References

MP314 Emakhazeni - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ls	Public benefit organs.	Mining Props.
<b>Current Year 2012/13</b>																	
<b>Valuation:</b>																	
No. of properties		9,385			2,808	79	1,720		4								
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		4	4	4	4	4	4	4	4						4	4	4
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)		5	5	5	5	5	5		5								
Frequency of valuation (select)																	
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market							Market	Market
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Fiat rate used? (Y/N)		NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
<b>Rating:</b>																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discouts (R'000)																	
<b>Total rebates, exemptns, reductns, discs (R'000)</b>																	

MP314 Emakhazeni - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ls	Public benefit organs.	Mining Props.
<b>Budget Year 2013/14</b>																	
<b>Valuation:</b>																	
No. of properties						69	633	261	4	13,271						100	5
No. of sectional title property values									4								
No. of unreasonably difficult properties s7(2)						4	4	4	4	4							4
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers		400								71							
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5	200								46							
No. of successful objections > 10%	5									8							
Estimated no. of properties not valued		1,100															
Years since last valuation (select)		>5					4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4					<4										
Method of valuation used (select)		Market					Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.					Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fiat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																

MP314 Emakhazeni - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates			36.54	40.00	40.00	44.00		11.0%	48.84	51.28	53.85
Electricity: Basic levy						122.45		8.0%	132.25	138.86	145.80
Electricity: Consumption						109.65		8.0%	118.42	124.35	130.56
Water: Basic levy			21.38	31.70	31.70	102.44		11.0%	35.18	36.94	38.79
Water: Consumption			-	5.00	5.00	31.70		11.0%	5.55	5.83	6.12
Sanitation			26.98	32.55	32.55	180.68		11.0%	36.14	37.95	39.84
Refuse removal			42.76	52.10	52.10	125.70		11.0%	57.83	60.72	63.76
Other						125.06		11.0%	-	-	-
<b>sub-total</b>		-	127.66	161.35	161.35	841.68	-	169.1%	434.21	455.92	478.72
VAT on Services											
<b>Total large household bill:</b>		-	127.66	161.35	161.35	841.68	-	169.1%	434.21	455.92	478.72
<b>% increase/-decrease</b>			-	26.4%	-	421.6%	(100.0%)		-	5.0%	5.0%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other								11.0%			
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-		-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		113.53	126.15	141.75	157.50	157.50		11.0%	174.83	183.57	192.74
Electricity: Basic levy		126.72	140.80	158.21	175.66	175.66		8.0%	194.98	204.73	214.97
Electricity: Consumption		218.82	243.13	273.19	308.00	308.00		8.0%	341.88	358.97	376.92
Water: Basic levy		43.68	48.54	54.54	60.60	60.60		11.0%	67.27	70.63	74.16
Water: Consumption		20.02	22.25	25.00	28.00	28.00		11.0%	31.08	32.63	34.27
Sanitation		56.16	62.40	70.12	77.92	77.92		11.0%	86.49	90.82	95.36
Refuse removal		53.05	58.95	65.50	72.78	72.78		11.0%	80.79	84.83	89.07
Other								11.0%	-	-	-
<b>sub-total</b>		631.98	702.22	788.31	880.46	880.46	-	11.0%	977.31	1,026.18	1,077.48
VAT on Services											
<b>Total small household bill:</b>		631.98	702.22	788.31	880.46	880.46	-	11.0%	977.31	1,026.18	1,077.48
<b>% increase/-decrease</b>			11.1%	12.3%	11.7%	-	(100.0%)		-	5.0%	5.0%

Emakhazeni Local Municipality

2013/2014 Draft Annual Budget and MTREF

**2.15 Quality Certification of the Municipal Manager**

I Mrs. Shoba the Municipal Manager of Emakhazeni Local Municipality, hereby certify that the annual budget and supporting documents have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget and the supporting documents are consistent with the Integrated Development Plan (IDP) of the Municipality.

Name : **MRS T. J. SHOBA**  
**ACTING MUNICIPAL MANAGER**

Municipal Code : MP314

Signature : 

Date : 28 March 2013